

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-K

(Mark One)

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2023

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 Number 000-56469

ENDI CORP.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

2400 Old Brick Road, Suite 115, Glen Allen, Virginia
(Address of principal executive offices)

87-4284605
(I.R.S. Employer
Identification No.)

23060
(Zip Code)

(434) 336-7737

(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: **None**

Securities registered pursuant to Section 12(g) of the Act: Class A Common Stock, \$0.0001 par value*

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

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 (§232.405 of this chapter) 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.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input checked="" type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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 has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report.

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

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

The aggregate market value of the voting and non-voting common equity held by non-affiliates as of June 30, 2023, the last business day of the registrant's most recently completed second fiscal quarter, was \$6,818,035.

The number of shares outstanding of the registrant's Class A Common Stock, \$0.0001 par value, as of March 29, 2024 is 5,468,133 and the number of shares outstanding of the registrant's Class B Common Stock, \$0.0001 par value, as of March 29, 2024 is 1,800,000.

*Removed from registration under Section 12(g) of the Exchange Act pursuant to Form 15 filed by the registrant on January 12, 2024

DOCUMENTS INCORPORATED BY REFERENCE

None.

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CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS AND INDUSTRY DATA AND TRADEMARKS

This Annual Report on Form 10-K contains statements that constitute “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended (the “Securities Act”), and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the Private Securities Litigation Reform Act of 1995. Words such as “believe,” “estimate,” “expect,” “intend,” “anticipate,” “plan,” “project,” “will,” “may,” and similar expressions and variations thereof, including the negative of these terms, identify such forward-looking statements which speak only as of the dates on which they were made. The forward-looking statements are based on a series of expectations, assumptions, estimates and projections about our company, are not guarantees of future results or performance and involve substantial risks and uncertainty. We may not actually achieve the plans, intentions or expectations expressed or implied by these forward-looking statements. Our business and our forward-looking statements involve substantial known and unknown risks and uncertainties that may cause actual results, events or performance to differ materially from the plans, intentions and expectations expressed or implied by these forward-looking statements, including, but not limited to the following factors:

- changes in economic and market conditions;
- loss of a significant amount of our assets under management;
- changes in the competitive landscape for investment managers, including as a result of the introduction of new technologies or regulatory changes;
- loss of key employees and the ability to retain and attract key personnel;
- lack of acceptance of our products and services;
- our ability to innovate and develop new products and services;
- maintenance of strategic alliances;
- loss of one or more significant partners or customers;
- occurrence of a material cybersecurity incident affecting our information systems, technology or data;
- evolving government regulations applicable to our business and the potential for unfavorable changes to, or failure by us to comply with, applicable laws, rules and regulatory requirements;
- difficulties in achieving cost savings, operating efficiencies and revenue opportunities as a result of the Mergers (as defined below);
- failure to maintain effective internal controls;
- adequacy of our risk management framework;
- our and our licensors’ ability to obtain, establish, maintain, protect and enforce intellectual property and proprietary protection for our products and technologies and to avoid claims of infringement, misappropriation or other violation of third-party intellectual property and proprietary rights;
- effects of war, terrorism, public health emergencies and other catastrophic events;
- volatility of the trading price of our common stock; and
- other factors discussed in our filings with the Securities and Exchange Commission (the “SEC”).

All of our forward-looking statements are as of the date of this Annual Report on Form 10-K only. In each case, actual results may differ materially from such forward-looking information. We can give no assurance that such expectations or forward-looking statements will prove to be correct. An occurrence of, or any material adverse change in, one or more of the risk factors or risks and uncertainties referred to in this Annual Report on Form 10-K or included in our other public disclosures or our other periodic reports or other documents or filings filed with or furnished to the SEC could materially and adversely affect our business, prospects, financial condition and results of operations. Accordingly, you should not place undue reliance on any forward-looking statement. Except as required by law, we do not undertake or plan to update or revise any such forward-looking statements to reflect actual results, changes in plans, assumptions, estimates or projections or other circumstances affecting such forward-looking statements occurring after the date of this Annual Report on Form 10-K, even if such results, changes or circumstances make it clear that any forward-looking information will not be realized. Therefore, you should not rely on the forward-looking statements contained in this Annual Report on Form 10-K as representing our views as of any date after the date of this report. We qualify all of our forward-looking statements by these cautionary statements.

This Annual Report on Form 10-K may include market data and industry data and forecasts, which we may obtain from internal company surveys, market research, consultant surveys, publicly available information, reports of governmental agencies and industry publications, articles, and surveys. Industry surveys, publications, consultant surveys, and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable, but the accuracy and completeness of such information is not guaranteed. While we believe that such studies and publications are reliable, we have not independently verified market and industry data and forecasts from third-party sources.

All brand names or trademarks appearing in this report are the property of their respective owners. Solely for convenience, trademarks and trade names used in this report may be referred to without the symbols “®” and “™”, but such references should not be construed as any indication that their respective owners will not assert, to the fullest extent under applicable law, their rights thereto.

INTRODUCTORY NOTE

ENDI Corp. (“ENDI”) was incorporated in Delaware on December 23, 2021. On August 11, 2022 (the “Closing Date”), the Company (as defined herein) completed its mergers (the “Mergers”) pursuant to that certain Agreement and Plan of Merger dated December 29, 2021 (as amended, the “Merger Agreement”) by and among ENDI, Enterprise Diversified, Inc. (“Enterprise Diversified”), Zeldia Merger Sub 1, Inc., Zeldia Merger Sub 2, LLC, CrossingBridge Advisors, LLC (“CrossingBridge” or “CBA”) and Cohanzick Management, LLC (“Cohanzick”). As a result of the Mergers, Enterprise Diversified and CrossingBridge merged with wholly-owned subsidiaries of ENDI and now operate as wholly-owned subsidiaries of the Company. The Company is the successor registrant to Enterprise Diversified’s SEC registration effective as of the Closing Date of the Mergers.

The reporting periods covered by this Annual Report on Form 10-K for the year ended December 31, 2023 reflect the standalone business of CrossingBridge prior to the Closing Date of the Mergers and the consolidated business of the Company, including CrossingBridge and Enterprise Diversified, as of and after the Closing Date.

On the Closing Date, Enterprise Diversified and CrossingBridge became wholly-owned subsidiaries of ENDI as a result of the Mergers (collectively with the other transactions described in the Merger Agreement, the “Business Combination”). The Business Combination is accounted for as a reverse acquisition using the acquisition method of accounting in accordance with Accounting Standards Codification 805, Business Combinations, with CrossingBridge representing the accounting acquiror. Following Financial Accounting Standards Board guidance related to the accounting for reverse acquisitions, CrossingBridge’s historical carve-out financial statements replaced the Company’s (as the successor registrant to Enterprise Diversified) historical financial statements. Accordingly, the capital structure and per-share amounts presented in CrossingBridge’s historical carve-out financial statements for the periods prior to the Closing Date were recast to reflect the capital activity in accordance with the Merger Agreement.

The CrossingBridge carve-out for activity prior to the Closing Date is part of the Cohanzick financial statements. Prior to the consummation of the Mergers, CBA was a 100%, wholly-owned subsidiary of Cohanzick. The historical financial carve-out statements of CBA reflect the assets, liabilities, revenue, and expenses directly attributable to CBA, as well as allocations deemed reasonable by management, to present the financial position, statements of operations, statements of changes in stockholders’ equity, and statements of cash flows of CBA on a stand-alone basis and do not necessarily reflect the financial position, statements of operations, statements of changes in stockholders’ equity, and statements of cash flows of CBA in the future or what they would have been had CBA been a separate, stand-alone entity during the periods presented that include activity prior to the Closing Date.

Unless the context otherwise requires, and when used in this Annual Report on Form 10-K, the “Company,” “ENDI,” “ENDI Corp.,” “we,” “our,” or “us” refers to ENDI Corp. individually, or as the context requires, collectively with its subsidiaries as of and after the Closing Date, and to CrossingBridge for the periods up to the Closing Date, due to the determination that CrossingBridge represents the accounting acquiror.

PART I

ITEM 1. BUSINESS

Overview

During the year ended December 31, 2023, ENDI Corp. operated through the following four reportable segments:

- CrossingBridge Operations - this segment includes revenue and expenses derived from the Company's investment advisory and sub-advisory services offered through various SEC registered mutual funds and an exchange-traded fund ("ETF") through CrossingBridge Advisors, LLC;
- Willow Oak Operations - this segment includes revenue and expenses derived from the Company's various joint ventures, service offerings, and initiatives undertaken in the asset management industry through Willow Oak Asset Management, LLC and its subsidiaries;
- Internet Operations - this segment includes revenue and expenses related to the Company's sale of internet access, e-mail and hosting, storage, and other ancillary services through Sitestar.net, Inc.; and
- Other Operations - this segment includes any revenue and expenses from the Company's nonrecurring or one-time strategic funding or similar activity that is not considered to be one of the Company's primary lines of business, and any revenue or expenses derived from the Company's corporate office operations, as well as expenses related to public company reporting, the oversight of subsidiaries, and other items that affect the overall Company.

The management of the Company also continually reviews various business opportunities for the Company, including those in other lines of business. The Company's primary focus is on generating cash flow so that the Company has the flexibility to pursue opportunities as they present themselves. The Company intends to only invest cash in a segment if the Company believes that the return on the invested capital is appropriate for the risk associated with the investment. This consideration is measured against all investment opportunities available to the Company and is not limited to the foregoing segments nor the Company's historical operations.

Mergers

On the Closing Date, the Company completed the Mergers pursuant to the Merger Agreement. As a result of the Mergers, Enterprise Diversified and CrossingBridge merged with wholly-owned subsidiaries of ENDI and now operate as wholly-owned subsidiaries of the Company. See "Introductory Note" for additional information.

Deregistration

As previously disclosed on our Current Report on Form 8-K filed on January 12, 2024, we have filed a Form 15 certifying the deregistration of our Class A common stock under Section 12(6) of the Exchange Act and suspension of our duty to file reports under Sections 13 and 15(d) of the Exchange Act.

Products and Services

CrossingBridge Operations

CrossingBridge Advisors, LLC (“CBA”) was formed as a limited liability company on December 23, 2016, under the laws of the State of Delaware. CBA derives its revenue and net income from investment advisory services. CBA is a registered investment adviser under the Investment Advisers Act of 1940, as amended (the “Investment Advisers Act”), and it provides investment advisory services to investment companies (including mutual funds and exchange-traded funds (“ETFs”)) registered under the Investment Company Act of 1940, as amended (“1940 Act”), both as an adviser and as a sub-adviser. CBA also manages an Undertaking for the Collective Investment in Transferable Securities (“UCITS”) fund, within the Universal Investment Ireland UCITS Platform ICAV, an umbrella Irish Collective Asset-management Vehicle with segregated liability between sub-funds authorized pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended from time to time.

On November 18, 2022, CBA entered into a Purchase and Assignment and Assumption Agreement, as amended on December 28, 2022 with RiverPark Advisors, LLC and Cohanzick (as amended, the “RiverPark Agreement”) pursuant to which RiverPark Advisors, LLC intended to sell to CBA certain assets and CBA intended to assume certain liabilities, including certain rights and responsibilities under the RiverPark Advisory Agreement (as defined in Note 5 to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K) and the RiverPark Expense Limitation Agreement (as defined in Note 5 to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K) relating to the provision of investment advisory services for the mutual fund known as RiverPark Strategic Income Fund (“RSIIX”), subject to certain terms and conditions set forth in the agreement. The transactions contemplated by such agreement closed on May 12, 2023. See Note 5 to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K for more information. Since the RiverPark Agreement was announced on November 28, 2022, which proposed CBA assuming the role as the adviser to the RiverPark Strategic Income Fund, RSIIX has grown by approximately \$188 million, or approximately 100%, with ending AUM as of December 31, 2023 totaling approximately \$376 million.

On the Closing Date, CrossingBridge entered into a Services Agreement (the “Services Agreement”) with Cohanzick pursuant to which CrossingBridge will make available to Cohanzick certain of its employees to provide investment advisory, portfolio management and other services to Cohanzick and, through Cohanzick, to Cohanzick’s clients. Any such individuals will be subject to the oversight and control of Cohanzick, and any services so provided to Cohanzick or a client of Cohanzick will be provided by such CrossingBridge employees in the capacity of a supervised person of Cohanzick. Cohanzick additionally may use the systems of CrossingBridge or its affiliates for its daily operations; provided that appropriate policies, procedures and other safeguards are established to assure that (a) the books and records of each of CrossingBridge and Cohanzick are created and maintained in a manner so as to be clearly separate and distinct from those of the other person and the clients of such person, and (b) confidential client and/or other material non-public information relating to the investment advisory activities of CrossingBridge or Cohanzick, as applicable, or other proprietary information regarding either such person or its clients, is safeguarded and maintained for the benefit of such person. As consideration for its services, Cohanzick will pay CrossingBridge a quarterly fee equal to 0.05% per annum of the monthly weighted average assets under management during such quarter with respect to all clients for which the Cohanzick has full investment discretion. Cohanzick and CrossingBridge will also split the payment of certain costs of other systems which use is shared between the Cohanzick and CrossingBridge. The Services Agreement shall continue until terminated pursuant to its terms.

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On October 23, 2023, CrossingBridge Advisors launched a UCITS fund, the CrossingBridge Low Duration High Income Fund (the “CB UCITS Fund”), as a global expansion of CrossingBridge’s product offering. The CB UCITS Fund was launched as a sub-Fund within the Universal Investment Ireland UCITS Platform ICAV, in order to leverage their operational and administrative infrastructure. The CB UCITS Fund was designed to be managed substantially similar to the CrossingBridge Low Duration High Yield Fund, however, there will be differences between the two funds as a result of specific UCITS regulations and the timing and size of capital flows. CrossingBridge believes that there is reasonable demand for the CB UCITS Fund throughout Europe, the Middle East, and South America.

As of December 31, 2023, CBA serves as an adviser to its five proprietary products, manager to one proprietary product, and sub-adviser to two additional products. As of December 31, 2023, the assets under management (“AUM”) for CBA, including advised, managed, and sub-advised funds, were in excess of \$1.8 billion. The investment strategies for CBA include: ultra-short duration, low duration high yield, strategic income, responsible credit, and special purpose acquisition companies (“SPACs”). These strategies primarily employ investment grade and high yield corporate debt, as well as credit opportunities in event-driven securities, post reorganization investments, and stressed and distressed debt. Details of CBA’s products are included below:

Product Name	Ticker Symbol	Inception Date	Advisory Role	AUM as of December 31, 2023 (in dollars)
CrossingBridge Low Duration High Yield Fund	CBLDX	January 31, 2018	Adviser	649,524,598
CrossingBridge Ultra-Short Duration Fund	CBUDX	June 30, 2021	Adviser	100,199,722
RiverPark Strategic Income Fund	RSIIX	September 30, 2013*	Adviser	376,111,942
CrossingBridge Responsible Credit Fund	CBRDY	June 30, 2021	Adviser	30,739,929
CrossingBridge Pre-Merger SPAC ETF	SPC	September 20, 2021	Adviser	67,937,047
CrossingBridge Low Duration High Income Fund (UCITS)	CBIUIUS ID	October 23, 2023	Manager	58,625,855
Destinations Low Duration Fixed Income Fund	DLDFX	March 20, 2017	Sub-adviser	233,291,769
Destinations Global Fixed Income Opportunities Fund	DGFFX	March 20, 2017	Sub-adviser	326,954,343

*CrossingBridge became the adviser to the RiverPark Strategic Income Fund as of the close of business on May 12, 2023 pursuant to that certain Purchase and Assignment and Assumption Agreement dated as of November 18, 2022 and subsequently amended on December 28, 2022, by and between CBA, RiverPark Advisors, LLC and Cohanzick.

CBA’s investment strategies with associated advised, managed, and sub-advised mutual funds, UCITS, and the ETF are as follows:

Ultra-Short Duration Strategy

- Primarily invest in investment grade fixed income securities with an ultra-short portfolio duration target of typically one or less.
 - CrossingBridge Ultra-Short Duration Fund is advised.

Low Duration Strategy

Low Duration High Yield

- Primarily invest in below investment grade fixed income securities with a short portfolio duration target of three or less.
 - CrossingBridge Low Duration High Yield Fund is advised.
 - CrossingBridge Low Duration High Income Fund (UCITS) is managed.
 - Destinations Low Duration Fixed Income Fund is sub-advised.

Pre-Merger SPACs

- Primarily invest in purchasing common stock and units of SPACs that are trading at or below their pro rata share of the collateral trust account with the intent of disposing the shares prior to a business combination.
- Aims to capture the fixed income nature of pre-merger SPACs along with the potential equity upside that they present.
 - CrossingBridge Pre-Merger SPAC ETF is advised.
 - Other CrossingBridge investment strategies may employ pre-merger SPACs as part of their portfolios.

Strategic Income Strategy

- A flexible investment and duration mandate without restrictions as to issuer credit quality, capitalization, or security maturity.
 - RiverPark Strategic Income Fund is advised.
 - Destinations Global Fixed Income Opportunities Fund is sub-advised.

Responsible Investing Strategy

- Primarily invest in corporate debt of issuers that portray a mindfulness toward environment, social, and governance (“ESG”) practices. The strategy has a flexible investment and duration mandate without restrictions as to issuer credit quality, capitalization, or security maturity. Further, the strategy may have concentrated holdings.
- CBA uses its “responsible investing criteria” (i.e., specific exclusionary and inclusionary criteria based on ESG standards) when making investment decisions for this strategy. To the extent an issuer’s business generates 10% or more of its revenues from certain businesses considered by CBA to be incompatible with its ESG criteria, then such business will be deemed “primarily engaged” in such business and excluded from the portfolio. CBA’s ESG criteria excludes issuers primarily engaged in weapons, tobacco, alcohol, gambling, pornography, and other related categories. After applying the initial exclusionary screen, CBA applies an inclusionary screen based on environmental objectives (such as reduction of carbon emissions), social objectives (such as treating all constituencies in a proper and ethical manner) and governance objectives (such as diversification of backgrounds, skills, and philosophy among an issuers board or executive officers). CBA utilizes a proprietary matrix to measure an issuer’s ESG engagement. CBA’s proprietary matrix sets a minimum threshold level that must be achieved for an issuer’s securities or other instruments to satisfy the fund’s responsible investing criteria. Ratings are based on positive and negative attributes, both of which can have an impact on the final score given to an issuer. CBA sources information relating to its responsible investing criteria from publicly-available resources such as financial filings, presentations, news articles, and management discussions. CBA monitors an issuer’s conformity to its responsible investing criteria and each holding is formally reviewed by CBA at least annually.
 - CrossingBridge Responsible Credit Fund is advised.

Management believes that the greatest negative impact on portfolio returns is the failure of a large position to perform according to the original thesis, which results in loss of capital. We attempt to mitigate this risk through investment analysis, portfolio construction, and hedging of risks with respect to individual positions and/or the overall portfolio as we see fit. In most cases, our investment analysis begins with a fundamental understanding of an issuer’s business model and management objectives followed by an analysis of its capital structure. Depending on the nature of the investment, the analysis may continue with a more in-depth study of legal aspects, pending transactions, and processes that may impact the issuer. A good investment in a bad business is not a recipe for enduring success.

CBA’s primary objective is to fulfill its fiduciary duty to its clients while its secondary objective is to grow its intrinsic value to achieve an adequate long-term return for our Company.

Willow Oak Operations

Beginning on August 12, 2022, the start of the post-Merger period (“Post-Merger”), the Company operates its Willow Oak operations business through its wholly-owned subsidiaries, Willow Oak Asset Management, LLC (“Willow Oak”), Willow Oak Capital Management, LLC, Willow Oak Asset Management Affiliate Management Services, LLC (“Willow Oak AMS”) and Willow Oak Asset Management Fund Management Services, LLC (“Willow Oak FMS”).

Willow Oak is an asset management platform focused on partnering with independent asset managers throughout various phases of their firm’s lifecycle to provide comprehensive operational services that support the growth of their businesses. Through minority ownership stakes and bespoke service-based contracts, Willow Oak offers affiliated managers strategic consulting, operational support, and growth opportunities. Services to date include consulting, investor relations and marketing, accounting and bookkeeping, compliance program monitoring, and business development support. The Company intends to actively expand its Willow Oak platform and services to independent managers across the investing community.

Willow Oak earns revenue through three main product channels: (i) revenue fee shares with investment firms; (ii) bespoke service-based contracts with investment firms; and (iii) consulting service agreements with private partnerships. The suite of services that Willow Oak offers investment firms includes business development and operations management, compliance monitoring, investor relations and marketing, accounting and bookkeeping, and ongoing fund management. Consulting services offered directly to private partnerships include administrative coordination, compliance program monitoring and tax and audit liaison services.

Through its revenue fee share arrangements, Willow Oak and its affiliates earn commensurate shares of management and performance fees earned by three independently managed investment firms: Bonhoeffer Capital Management, LLC (“Bonhoeffer Capital”), Focused Compounding Capital Management, LLC (“Focused Compounding”) and SVN Capital, LLC (“SVN Capital”). Bonhoeffer Capital is the general partner of Bonhoeffer Fund, LP, a private investment partnership launched by Willow Oak in 2017. Focused Compounding is the general partner of Focused Compounding Fund, LP, a private investment firm co-launched by Willow Oak in 2020. SVN Capital is the general partner of SVN Fund, LP, a private investment partnership launched in 2020. In addition to managing private investment firms, Focused Compounding and SVN Capital also manage capital for clients through separately managed accounts, which also generates revenue fee shares for Willow Oak and its affiliates.

Through its consulting service agreements, Willow Oak and its affiliates earn a monthly fee from its independent asset firm clients as well as its private partnership clients.

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During the year ended December 31, 2023, Willow Oak entered into three new fund management services agreements and one consulting services agreement with independently managed investment firms to provide ongoing consulting, investor relations and marketing, accounting and bookkeeping, compliance program monitoring, and business development support services.

Internet Operations

Beginning Post-Merger, the Company operates its internet operations segment through Sitestar.net, its wholly-owned subsidiary.

Sitestar.net is an internet service provider (“ISP”) that offers consumer and business-grade internet access, e-mail hosting and storage, wholesale managed modem services, web hosting, third-party software as a reseller, and various ancillary services. Sitestar.net provides services to customers in the United States and Canada. This segment markets and sells narrow-band (dial-up and integrated services digital network (“ISDN”)) and broadband services (Digital Subscriber Line (“DSL”), fiber-optic, and wireless), as well as web hosting and related services to consumers and businesses. Customers may also subscribe to web hosting plans to include email access and storage. Customer contracts through the internet operations segment can be structured as monthly or annual contracts. Under annual contracts, the subscriber pays a one-time annual fee and under monthly contracts, the subscriber is billed monthly. While Sitestar.net provides customer service support for account management and technical troubleshooting, Sitestar.net does not own or maintain the physical infrastructure (fiber-optic lines, cable lines, phone lines, or e-mail servers) through which its services are provided.

We may in the future be subject to U.S. and international laws and regulations applicable to access or commerce on the internet covering issues such as user privacy, freedom of expression, pricing, characteristics and quality of products and services, taxation, advertising, intellectual property rights, and information security. As such, our business may be affected by the repeal, modification, or adoption of various laws and regulations that cover a wide range of issues at the international, federal, state, and local levels.

In addition, the Company owns a portfolio of domain names. Management endeavors to identify the market value for domain names owned by the Company in order to assess potential income opportunities. Management evaluates these domain names for third-party sales potential, as well as for other marketing opportunities that could generate new revenue from current customers who utilize the domain names.

The current focus of our internet operations segment is to generate cash flow, work to make our costs variable, and reinvest in our operations when an acceptable return is available.

Other Operations

Beginning Post-Merger, the Company operates its other operations segment which includes nonrecurring or one-time strategic funding or similar activity and other corporate operations that are not considered to be one of the Company’s primary lines of business. Below are the primary activities comprising other operations. Additional investment activity that is not specifically mentioned below is included in the accompanying consolidated financial statements.

Management of the Company also continually reviews various business opportunities for the Company, including those in other lines of business. Our primary focus is on generating cash flow so that we have the flexibility to pursue opportunities as they present themselves. We intend to only invest cash in a segment if we believe that the return on the invested capital is appropriate for the risk associated with the investment. This consideration is measured against all investment opportunities available to us and is not limited to the foregoing segments nor our historical operations.

Enterprise Diversified, Inc.

On June 12, 2023, through Enterprise Diversified, Inc. (“Enterprise Diversified”), and again on October 31, 2023, we invested \$172,512 and \$190,148, respectively, in a commodity-based limited partnership managed by a third-party general partner. The general partner is entitled to certain management fees and profit allocations and our investment is subject to a two-year lockup from the date of the initial investment. As of the year ended December 31, 2023, this investment is carried at its reported net asset value (“NAV”) of \$348,815. During the year ended December 31, 2023, we recognized \$13,845 of net investment losses related to this investment. No comparable activity exists for the year ended December 31, 2022.

On July 14, 2023, through Enterprise Diversified, we invested \$500,000 in a private placement transaction for which we received 500 restricted preferred shares of a private company issuer as well as 100,000 warrants of the issuer’s public parent company. Neither the preferred shares nor the warrants are registered or freely tradable and are currently subject to further transfer limitations. The preferred shares have a liquidation preference equal to the fair market value of the consideration paid at issuance, plus accrued and unpaid dividends. All dividends are payable quarterly in arrears. Each warrant entitles the holder to acquire one subordinate voting share of common stock of the issuer’s parent. Our investment does not provide a controlling interest in the issuer or the issuer’s parent. The investment in the preferred shares is carried at its cost basis of \$500,000 as of December 31, 2023, with dividend income recognized quarterly pursuant to the terms of the restricted preferred shares. The investment in the warrants is carried at the most recent publicly traded price with a 20% marketability discount applied to account for the lack of registration and transfer restrictions on the warrants, which totals \$62,400 as of December 31, 2023. During the year ended December 31, 2023, we recognized \$62,400 of net investment income and \$34,931 of dividend income related to this investment. No comparable activity exists for the year ended December 31, 2022.

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On November 17, 2023, through Enterprise Diversified, we invested \$250,250 in a blank-check company formed for the purpose of acquiring one or more businesses contemplated pursuant to a registration statement in connection with an initial public offering. We received an aggregate of 25,000 placement units of the corporation, at \$10.00 per unit, for an aggregate purchase price of \$250,000. Each placement unit is currently intended to consist of one ordinary share, par value \$0.0001 per share, of the corporation, and one-half of one redeemable warrant. Each whole warrant is intended to entitle the holder thereof to purchase one ordinary share at a price of \$11.50 per share. Additionally, we received an aggregate of 50,000 ordinary shares at approximately \$0.005 per share, for an aggregate purchase price of \$250.00. As of December 31, 2023, as no initial public offering has been completed, this investment is carried at its cost basis.

eBuild Ventures, LLC

Pursuant to the Merger Agreement, the Company was transferred interests of eBuild Ventures, LLC (“eBuild”) on the Closing Date. eBuild acquires, or provides growth equity to, consumer product businesses in the digital or brick and mortar marketplaces.

On September 8, 2022, through eBuild, we made a capital contribution of \$450,000, representing approximately a 10% ownership stake, in a start-up phase private company that operates in the consumer beverage product space. This investment is valued using the equity method, which totals \$301,154 as of December 31, 2023. During the year ended December 31, 2023, the Company reported a loss of \$148,846 through its application of the equity method on eBuild’s investment.

On March 16, 2023, through eBuild, we made a conditional shareholder contribution of \$955,266 and were issued approximately a 3% ownership stake in a private company that operates in the consumer products e-commerce space fulfilled by Amazon. This investment was carried at its cost basis of \$955,266 as of December 31, 2023. Subsequent to December 31, 2023, the private company redeemed the contribution in full.

Financing Arrangement - Triad Guaranty, Inc.

In August 2017, Enterprise Diversified entered into an agreement with several independent third parties to provide debtor-in-possession financing to an unaffiliated third party, Triad Guaranty, Inc., through Triad DIP Investors, LLC. Triad Guaranty, Inc. exited bankruptcy in April 2018, and Enterprise Diversified was subsequently issued an amended and restated promissory note. As of December 31, 2022, Enterprise Diversified reported \$50,000 of promissory note receivables, measured at fair value, from Triad DIP Investors, LLC, and 847,847 aggregate shares of Triad Guaranty, Inc. common stock.

On January 9, 2023, Enterprise Diversified was issued a second amended and restated promissory note by Triad DIP Investors, LLC. Amended terms to the promissory note include an increase in the interest rate from 12% to 18% per annum, with unpaid historical accrued interest and future monthly accrued and unpaid interest to be capitalized and added to the then-outstanding principal balance on the last business day of each month. Further, the maturity date of the note was extended from December 31, 2022 to April 30, 2023, with early payoff permitted. Also during the three-month period ended March 31, 2023, Triad notified the Company that it was able to secure a new financing resource that was not previously available. On April 27, 2023, the Company received repayment of the full historical principal balance and accrued interest related to the second amended and restated promissory note receivable, which was greater than the Company’s historical recorded carrying amount of \$50,000 as of December 31, 2022. Given these developments, the Company recognized \$334,400 of other income related to the realized gain on the note receivable, which is included in the consolidated statements of operations for the year ended December 31, 2023.

As of December 31, 2023, the Company attributed no value to its shares of Triad Guaranty, Inc. common stock held due to the stocks’ general lack of marketability.

Corporate Operations

Corporate operations include any revenue or expenses derived from the Company’s corporate office operations, as well as expenses related to public company reporting, the oversight of subsidiaries, and other items that affect the overall Company. Also included under corporate operations is investment activity earned through the reinvestment of corporate cash. Corporate investments are typically short-term, highly liquid investments, including vehicles such as mutual funds, ETFs, commercial paper, and corporate and municipal bonds.

During the year ended December 31, 2022, through Enterprise Diversified under the other operations segment, the Company invested a total of \$4,500,000 among three CrossingBridge mutual funds: the CrossingBridge Responsible Credit Fund, the CrossingBridge Ultra Short Duration Fund, and the CrossingBridge Low Duration High Yield Fund.

During the year ended December 31, 2023, through Enterprise Diversified under the other operations segment, the Company invested \$1,200,000 into CrossingBridge’s then newly acquired RiverPark Strategic Income Fund.

The Company also routinely invests in the CrossingBridge Pre-Merger SPAC ETF through its other operations segment as well, which as of December 31, 2023, totaled \$369,837.

There are no liquidity restrictions in connection with these investments and any intercompany revenue and expenses have been eliminated in consolidation.

Competition

CrossingBridge Operations

The asset management industry is highly competitive, has relatively low barriers to entry, and includes a wide array of investment products and services. CBA competes with, among others, investment firms that have longer and more established track records, higher AUM, greater personnel resources, and a broader variety of investment products. We believe that direct competitors of CBA include Osterweis Capital Management, Sherkman Capital Management, Lord Abbett & Company, and Brandywine Asset Management. CBA strives to distinguish itself from its competitors through its investment performance, fees charged to clients and the quality, diversity, and innovation of the products it offers. CBA's success relies on its ability to generate attractive and consistent investment returns, attract and retain key personnel, and develop innovative and diverse investment products.

Willow Oak Operations

Willow Oak faces two primary forms of competitors - specialized outsourced service providers and investment firms with internally built management teams.

We believe that competitors that offer a variety of outsourced operational roles and are specialized in their areas of service include Junonia Partners, which offers outsourced Chief Financial Officer and Controller solutions; Repool, which offers fund and RIA launch and on-going back office support; and Freedom Advisors, which offers operational outsourcing to RIAs. Investment firms are also able to compete with Willow Oak's services by hiring a dedicated management and administrative staff to internally manage the operational needs of the firm. Internally built teams can provide high degrees of customization and capacity for investment firms.

Notwithstanding the foregoing, management is not aware of any direct competitors who offer the same level of integrated and comprehensive operational support to independent asset managers throughout all phases of their business lifecycle as competing third-party service providers are more specialized in their services, focusing on a single area such as fund administration, compliance, marketing consulting, or outsourced Chief Financial Officer solutions as a standalone service. We believe that Willow Oak's success relies on our ability to partner with a variety of investment firms, attract and retain key personnel, and provide a comprehensive and competitive service offering for investment firms.

Internet Operations

The internet service provider space is highly competitive and growth is often achieved through mergers and acquisitions or large-scale infrastructure expansion. Our internet operation segment's primary competitors include regional and national cable and telecommunications companies that have substantially greater market presence, brand-name recognition, and financial resources compared to Sitestar.net. Secondary competitors include local and regional ISPs that serve rural localities that larger providers have not yet expanded to.

The residential broadband internet access market is dominated by cable and telecommunications companies. These companies offer internet connectivity through the use of cable modems, DSL programs, and fiber-optic lines. These competitors have extensive scaling ability, pricing power, and significantly more resources than Sitestar.net, as they typically own or maintain at least a portion of the physical infrastructure that provides the internet access services. In addition, such competitors often offer incentives for customers to purchase internet access by offering discounts for bundled service offerings (i.e., phone, television, and internet) that are not readily available through Sitestar.net. As we are a reseller of our broadband services, including DSL and fiber services, our profit margin is heavily influenced by these competitive forces. A large portion of Sitestar.net's customer base for its internet access services are located in rural areas with relatively fewer options for ISPs, as the infrastructure required for larger providers to service these areas is either outdated, has not yet been established, or is not economical to establish.

The e-mail and web hosting markets operate in a similar environment. A handful of large national or global technology companies offer inexpensive, if not free, suites of hosting services.

We believe Sitestar.net's success relies on our ability to provide reliable and competitive services, attract and retain key personnel, and maintain our customer base.

Intellectual Property

Our success depends in part on our ability to obtain and maintain intellectual property rights. To protect our intellectual property and proprietary rights we rely on a combination of trademarks as well as contractual restrictions on disclosure of confidential information with employees, consultants and other third parties. However, we cannot guarantee that such agreements and trademarks will provide us with sufficient protection or that we have entered into agreements restricting the disclosure of confidential information with each party that has or may have had access to our confidential information.

As of March 29, 2024, CrossingBridge owns trademark registrations with the U.S. Patent & Trademark Office (“USPTO”) of CROSSINGBRIDGE and the CrossingBridge logo. In addition, the Company owns trademark registrations with the USPTO of ENDI and the ENDI logo.

In addition, we reserve and register domain names when and where we deem appropriate. As of March 29, 2024, we owned 240 registered domain names.

Our success will depend on our ability to obtain, maintain, enforce and protect our intellectual property and proprietary rights and operate our business without infringing, misappropriating or otherwise violating any intellectual property or proprietary rights of third parties. However, there can be no assurance that our efforts will be successful. Even if our efforts are successful, we may incur significant costs in defending our intellectual property and proprietary rights or combating allegations by third parties. From time to time, we may be subject to legal proceedings or claims, or threatened legal proceedings or claims, including allegations of infringement, misappropriation or other violations of third-party intellectual property or proprietary rights.

Government Regulations

Asset management is a highly regulated business subject to numerous legal and regulatory requirements. These regulations are intended to protect customers whose assets are under management and, as such, may limit our ability to develop, expand or carry out our asset management business in the intended manner. In particular, CBA is required to act in the best interest of its clients. In addition, regulators have substantial discretion in determining what is in the best interest of a client and have increased their scrutiny of potential conflicts as well as the disclosure of such conflicts to an asset manager’s clients. Appropriately dealing with conflicts of interest is complex and if we fail, or appear to fail, to deal appropriately with any of these conflicts of interest, we may face reputational damage, litigation, regulatory proceedings, or penalties, fines or sanctions, any of which may have a material and negative impact on our asset management business.

It is very difficult to predict the future impact of the legislative and regulatory requirements affecting our business and our clients’ businesses. CBA is registered as an “investment adviser” with the SEC under the Investment Advisers Act and is regulated thereunder. The Investment Advisers Act and the Investment Company Act, together with related regulations and interpretations of the SEC, impose numerous obligations and restrictions on investment advisers and registered investment companies (including mutual funds and ETFs), including requirements relating to the safekeeping of client funds and securities, limitations on advertising, disclosure and reporting obligations, prohibitions on fraudulent activities, restrictions on certain transactions between an adviser and its clients, and between a registered investment company and its advisers and affiliates, and other detailed operating requirements, as well as general fiduciary obligations. All of the foregoing laws and regulations, as well as any other laws and regulations we are or may become subject to, are complex, and we are required to expend significant resources to monitor and maintain our compliance with such laws and regulations. Any failure on our part to comply with these and other applicable laws and regulations could result in regulatory fines, suspensions of personnel or other sanctions, including revocation of CBA’s registration as an investment adviser which would, among other things, have a material adverse effect on our results of operations, financial condition or business.

In addition to the foregoing, our business is subject to various federal, state, local and international laws and regulations. For example, the Federal Communications Commission frequently considers imposing new broadband-related regulations, and from time to time, imposing new regulatory obligations on ISPs. States and localities also consider new broadband-related regulations from time to time, including those regarding government-owned broadband networks, net neutrality and broadband affordability. New broadband regulations, if adopted, may have adverse effects on our business. In addition to the foregoing, a variety of state, national, foreign and international laws and regulations apply to the collection, use, retention, protection, security, disclosure, transfer and other processing of personal and other data. Many of these laws are complex and change frequently and may conflict with the laws in other jurisdictions. Furthermore, we may in the future be subject to U.S. and international laws and regulations relating to freedom of expression, pricing, characteristics and quality of products and services, taxation and advertisements. As such, our business may be affected by the repeal, modification, or adoption of various laws and regulations that cover a wide range of issues at the international, federal, state, and local levels. Despite our best efforts to comply with these requirements, any noncompliance could result in, among other things, us incurring substantial penalties and sustaining reputational damage.

Employees

As of March 29, 2024, we employed 15 full-time individuals (11 through the CrossingBridge segment, one through the Willow Oak segment, one through the internet segment, and two through the other operations segments) and no part-time employees. We also utilize outside contractors as necessary to assist with consulting, technical support, and customer service. Our employees are not unionized, and we consider relations with employees to be good.

Available Information

The Company's website address is www.endicorp.com. The contents of, or information accessible through, the Company's website are not part of this Annual Report on Form 10-K, and the Company's website address is included in this document as an inactive textual reference only. The Company makes its filings with the SEC, including its Annual Report on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and all amendments to those reports, available free of charge on its website as soon as reasonably practicable after it files such reports with, or furnishes such reports to, the SEC. The public may read and copy the materials the Company files with the SEC at the SEC's Public Reference Room at 100 F Street, NE, Washington, DC 20549. The public may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. Additionally, the SEC maintains an internet site that contains reports, proxy and information statements and other information. The address of the SEC's website is www.sec.gov. The information contained in the SEC's website is not intended to be a part of this filing.

ITEM 1A. RISK FACTORS

The Company is not required to provide the information required by this Item as it is a "smaller reporting company," as defined in Rule 12b-2 of the Exchange Act.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 1C. CYBERSECURITY

Risk Management and Strategy

The Company's cybersecurity program has direct involvement from senior management and all employees. Our business operations and relationships with our customers are reliant on technology, and any failure or disruption in our technological systems could have significant negative impacts on our business.

We monitor our information systems for cybersecurity incidents, assess and identify any perceived risks and/or vulnerabilities, and escalate incidents according to Company procedures. Incidents classified to a level that may significantly impact the Company are escalated to senior management for monitoring and action if necessary.

Each operating segment oversees and manages their own risk monitoring and mitigation processes in order to ensure segment-specific risks are properly identified and addressed. Operating segments regularly collaborate to facilitate the risk monitoring and mitigation processes and to ensure the policies and procedures for our information security program are integrated into our overall risk management assessment.

Governance

Our executive officers report material cybersecurity incidents to the Board of Directors. Management provides cyber related legal, regulatory, compliance, risk, and relevant industry and internal threat updates to the Board of Directors as needed. The updates provide information regarding the state of the Company's information security program, the nature, timing and extent of cybersecurity incidents, if any, and the Company's resolution to such matters.

ITEM 2. PROPERTIES

The Company's principal office is located at 2400 Old Brick Road, Suite 115, Glen Allen, Virginia 23060. The Company leases its office space for \$1,300 per month pursuant to a membership agreement. The membership agreement terminates on April 30, 2024, unless terminated earlier or otherwise extended pursuant to the terms thereof. The principal office of our CrossingBridge operations segment is located at 427 Bedford Road, Suite 220, Pleasantville, New York 10570. The Company currently leases such office space for \$5,874 per month, subject to adjustment, pursuant to a license agreement which terminates on August 10, 2024; provided, however, the term of such agreement will automatically renew for subsequent one-year terms unless otherwise earlier terminated pursuant to the terms thereof. In addition to the foregoing, the Company also owns interests in two undeveloped lots located in Roanoke, Virginia. The Company believes that its existing facilities are suitable and adequate to meet its current needs. The Company may add new facilities or expand existing facilities as it adds employees, and it believes that suitable additional or substitute space will be available as needed to accommodate any such expansion of its operations.

ITEM 3. LEGAL PROCEEDINGS

From time to time, we may become involved in various lawsuits and legal proceedings, which arise in the ordinary course of business. Litigation is subject to inherent uncertainties, and an adverse result in these or other matters may arise from time to time that may harm our business. We are currently not aware of any such legal proceedings or claims that will have, individually or in the aggregate, a material adverse effect on our business, financial condition or operating results. Except as set forth below, we are not currently aware of any other legal proceedings to which the Company is party.

Enterprise Diversified, Inc. (f/k/a Sitestar Corporation) v. Frank Erhartic, Jr.

On April 12, 2016, Enterprise Diversified filed a civil action complaint against Frank Erhartic, Jr. (the “Former CEO”), Enterprise Diversified’s former CEO and director (prior to December 14, 2015) and an owner of record of Enterprise Diversified’s common stock, alleging, among other things, that the Former CEO engaged in, and caused Enterprise Diversified to engage in, to its detriment, a series of unauthorized and wrongful related party transactions, including: causing Enterprise Diversified to borrow certain amounts from the Former CEO’s mother unnecessarily and at a commercially unreasonable rate of interest; converting certain funds of Enterprise Diversified for personal rent payments to the Former CEO; commingling in land trusts certain real properties owned by Enterprise Diversified and real properties owned by the Former CEO; causing Enterprise Diversified to pay certain amounts to the Former CEO for lease payments under an unauthorized lease as to a storage facility owned by the Former CEO; causing Enterprise Diversified to pay rent on its corporate headquarters owned by the Former CEO’s ex-wife in amounts commercially unreasonable and excessive, and making real estate tax payments thereon for the personal benefit of the Former CEO; converting to the Former CEO and/or absconding with five motor vehicles owned by Enterprise Diversified; causing Enterprise Diversified to pay real property and personal property taxes on numerous properties owned personally by the Former CEO; causing Enterprise Diversified to pay personal credit card debt of the Former CEO; causing Enterprise Diversified to significantly overpay the Former CEO’s health and dental insurance for the benefit of the Former CEO; and causing Enterprise Diversified to pay the Former CEO’s personal automobile insurance.

The lawsuit was tried to a jury in the Circuit Court for the City of Lynchburg (Lynchburg, Virginia) in September 2023, and the jury returned a unanimous verdict in favor of Enterprise Diversified and against Frank Erhartic, Jr. On September 25, 2023, the Court entered a civil judgment in favor of Enterprise Diversified in the amount of \$243,423, plus interest in the amount of 6% per year until the judgement is paid in full. Mr. Erhartic filed a Notice of Appeal on October 17, 2023, which is pending.

On November 27, 2023, Enterprise Diversified initiated a civil action in Nevada to domesticate the Judgment to execute on the Former CEO’s stock in Enterprise Diversified. Following a statutorily required stay of execution, on February 13, 2024, Enterprise Diversified filed a request with the court to require the Former CEO to deliver his shares to Enterprise Diversified, or in the alternative, to allow Enterprise Diversified to issue new shares. Upon the Nevada Court’s determination to grant Enterprise Diversified’s request, and once in possession of the shares, Enterprise Diversified will be entitled to execute on the shares to satisfy amounts owed under the Judgment.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market Information

Our Class A common stock is quoted on the OTCQB tier of the OTC Markets Group, Inc. ("OTC Markets") under the symbol "ENDI" under the OTC Market's SEC reporting method. On January 12, 2024, we filed a Form 15 certifying the deregistration of our Class A common stock under Section 12(g) of the Exchange Act and suspension of our duty to file reports under Sections 13 and 15(d) of the Exchange Act. Once the Company's deregistration is effective, approximately 90 days after the submission of its Form 15, the Company will continue to be quoted on the OTCQB tier under OTC Market's alternative reporting method. Any over-the-counter market quotations reflect inter-dealer prices, without retail mark-up, mark-down or commission and may not necessarily represent actual transactions.

Our Class B Common Stock is not listed on any stock exchange nor traded on any public market.

Stockholders

As of March 29, 2024, we had approximately 64 stockholders of record of our Class A Common Stock. The actual number of holders of our Class A Common Stock is greater than this number of record holders, and includes stockholders who are beneficial owners, but whose shares are held in street name by brokers or held by other nominees. This number of holders of record also does not include stockholders whose shares may be held in trust by other entities. As of March 29, 2024, we had one stockholder of record of our Class B Common Stock.

Dividends

To date, we have not paid any cash dividends on our capital stock. We intend to periodically review our policy for issuing dividends as a potential method for returning value to our stockholders. Any future determination to pay dividends will be at the discretion of our board of directors and will depend upon a number of factors, including our results of operations, financial condition, future prospects, contractual restrictions, restrictions imposed by applicable law and other factors that our board of directors deems relevant.

Recent Sales of Unregistered Securities

None.

ITEM 6. [RESERVED]

ITEM 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This section is intended to provide readers of our financial statements with information regarding our financial condition, results of operations, and items that management views as important. The following discussion and analysis of financial condition and results of operations should be read in conjunction with our consolidated financial statements and related footnotes as of and for the year ended December 31, 2023 appearing elsewhere in this Annual Report on Form 10-K. In addition to historical information, this discussion and analysis of financial condition and results of operations contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below, and those discussed in Item 1A of Part I of this report and other reports we file with the SEC from time to time. The discussion of results, causes, and trends should not be construed to imply any conclusion that such results or trends will necessarily continue in the future. Additionally, it should be noted that a uniform comparative analysis cannot be performed for all segments, as a segment's limited financial history or restructuring results in less comparable financial performance. As a result of the Business Combination that was consummated on August 11, 2022, and the determination that the Business Combination would be accounted for as a reverse acquisition, historic activity prior to the Closing Date for the year ended December 31, 2022 represents only the financial activity of CrossingBridge Advisors, LLC. Activity as of and after the Closing Date presented for and as of the years ended December 31, 2023 and 2022, includes CrossingBridge financial activity, which has been consolidated with the activity of Enterprise Diversified, Inc. and its subsidiaries as of August 11, 2022 through the year ended December 31, 2023. All amounts are in U.S. dollars, unless otherwise noted.

Overview

During the year ended December 31, 2023, ENDI Corp. operated through the following four reportable segments:

- CrossingBridge Operations - this segment includes revenue and expenses derived from the Company's investment advisory and sub-advisory services offered through various SEC registered mutual funds and an ETF through CrossingBridge Advisors, LLC;

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- Willow Oak Operations - this segment includes revenue and expenses derived from the Company's various joint ventures, service offerings, and initiatives undertaken in the asset management industry through Willow Oak Asset Management, LLC and its subsidiaries;
- Internet Operations - this segment includes revenue and expenses related to the Company's sale of internet access, e-mail and hosting, storage, and other ancillary services through Sitestar.net, Inc.; and
- Other Operations - this segment includes any revenue and expenses from the Company's nonrecurring or one-time strategic funding or similar activity that is not considered to be one of the Company's primary lines of business, and any revenue or expenses derived from the Company's corporate office operations, as well as expenses related to public company reporting, the oversight of subsidiaries, and other items that affect the overall Company.

The management of the Company also continually reviews various business opportunities for the Company, including those in other lines of business.

Deregistration

On January 12, 2024, we filed a Form 15 certifying the deregistration of our Class A common stock under Section 12(6) of the Exchange Act and suspension of our duty to file reports under Sections 13 and 15(d) of the Exchange Act.

Summary of Financial Performance

Stockholders' equity increased from \$20,382,693 at December 31, 2022 to \$23,113,090 at December 31, 2023. This change was primarily attributed to net income earned by the Company's operating segments during the current year. During the year ended December 31, 2023, the CrossingBridge operations segment generated \$3,489,210 of net income, the internet operations segment generated \$253,446 of net income, the Willow Oak operations segment generated \$215,854 of net loss, and the other operations segment generated \$997,251 of net loss. Corporate expenses for the year ended December 31, 2023 included in the net loss from other operations totaled \$1,666,022. Total comprehensive net income for all segments for the year ended December 31, 2023 was \$2,529,551.

Balance Sheet Analysis

This section provides an overview of changes in our assets, liabilities, and stockholders' equity and should be read together with our consolidated financial statements, including the accompanying notes to the financial statements included elsewhere in this Annual Report on Form 10-K. The table below provides a balance sheet summary as of the end of the periods presented and is designed to provide an overview of the balance sheet changes as of the years ended December 31, 2023 and 2022.

	December 31, 2023	December 31, 2022
Assets		
Cash and cash equivalents	\$ 8,983,190	\$ 10,690,398
Investments in securities, at fair value	7,715,075	5,860,688
Accounts receivable, net	1,064,413	744,638
Goodwill	737,869	737,869
Intangible assets, net	3,155,290	1,223,926
Investments in private companies, at cost	1,455,266	-
Investment in limited partnership, at net asset value	348,815	-
Investment in private company, equity method	301,154	450,000
Investment in special purpose acquisition company, at cost	250,250	-
Investment in warrants, at fair market value	62,400	-
Deferred tax assets, net	1,149,351	1,441,234
Other assets	293,915	322,742
Total assets	\$ 25,516,988	\$ 21,471,495
Liabilities and Stockholders' Equity		
Accounts payable	\$ 5,856	\$ 71,306
Accrued compensation	-	23,342
Accrued expenses	305,065	260,185
Deferred revenue	147,039	156,859
Earn-out liability	1,427,212	-
Class W-1 Warrant and redeemable Class B Common Stock	464,000	576,000
Other liabilities	54,726	1,110
Total liabilities	2,403,898	1,088,802
Total stockholders' equity	23,113,090	20,382,693
Total liabilities and stockholders' equity	\$ 25,516,988	\$ 21,471,495

As of December 31, 2023, we reported a decrease in cash and cash equivalents of \$1,707,208 which was primarily the product of an increase in investments in securities, at fair value, of \$1,854,387. We also reported an increase in net intangible assets of approximately \$1,931,364, an increase in investments in private companies, at cost, of \$1,455,266, and an increase in investment in limited partnership, at net asset value, of \$348,815 compared to December 31, 2022. As of December 31, 2023, we also reported an increase in earn-out liabilities of \$1,427,212 compared to December 31, 2022. Changes in net intangible assets and earn-out liabilities were primarily the product of the RiverPark Strategic Income Fund transaction with the remainder of the changes primarily attributed to the result of operating and investing activities that management consider to be within our normal course-of-business during the year ended December 31, 2023.

Results of Operations

CrossingBridge Operations

Revenue attributed to the CrossingBridge operations segment for the year ended December 31, 2023 was \$8,678,783, representing an increase of \$1,407,451 compared to the year ended December 31, 2022. This increase was primarily due to revenue attributed to CBA's Services Agreement with Cohanzick, which did not commence until August 2022, and additional management fees earned from the RiverPark Strategic Income Fund, which was purchased in May 2023. The increase in revenue was offset by an increase of \$1,263,664 in operating expenses, which totaled \$5,261,667 for the year ended December 31, 2023. The increase in operating expenses for the year ended December 31, 2023, compared to the year ended December 31, 2022, was primarily associated with an increase in employee compensation expenses, amortization expenses, and professional fees. Net profit margin decreased to 40% for the year ended December 31, 2023 from 45% for the year ended December 31, 2022. This was largely due to the relative increase in operating expenses year over year.

Compensation and related costs are typically comprised of salaries, bonuses, and benefits. Salary compensation and bonuses are generally the largest expenses for the CBA operations segment. Bonuses are subjective and based on individual performance, the underlying funds' performance, and profitability of the Company, as well as the consideration of future outlook. Compensation and related costs increased by approximately \$627,000 for the year ended December 31, 2023, compared to the year ended December 31, 2022. These increases were due to salary increases that took effect at the beginning of the current year, an increase in annual bonus amounts, and the hiring of an additional employee during the current year. Compensation expenses can fluctuate period over period as management evaluates investment performance, individual performance, Company performance, and other factors.

Further, increases in amortization expenses for the CrossingBridge operations segment are the product of intangible assets recorded pursuant to the RiverPark Strategic Income Fund transaction, which closed during May 2023, and increases in professional fees are the product of legal and consulting fees incurred as part of new product research and development.

CBA expects that its net margin will fluctuate from period to period based on various factors, including: revenues, investment results, and the development of investment strategies, products, and/or channels.

Assets Under Management

CBA derives its revenue from its investment advisory fees. Investment advisory fees paid to CBA are based on the value of the investment portfolios it manages and fluctuate with changes in the total value of its AUM.

CBA's revenues are highly dependent on both the value and composition of AUM. The following is a summary of CBA's AUM by product and investment strategy as of December 31, 2023 and December 31, 2022.

Assets Under Management by Product	December 31, 2023	December 31, 2022	% Change
(in millions, except percentages)			
Advised funds	1,283	614	109.0%
Sub-advised funds	560	664	(15.7)%
Total AUM	1,843	1,278	44.2%

Assets Under Management by Investment Strategy	December 31, 2023	December 31, 2022	% Change
(in millions, except percentages)			
Ultra-Short Duration	100	81	23.5%
Low Duration	1,009	829	21.7%
Responsible Investing	31	23	34.8%
Strategic Income	703	345	103.8%
Total AUM	1,843	1,278	44.2%

CrossingBridge Low Duration High Yield Fund (in dollars)

	Beginning Balance	Gross Inflows	Gross Outflows	Market Appreciation (Depreciation)	Ending Balance
4Q 2022	544,808,751	64,535,197	(171,525,452)	9,774,294	447,592,790
1Q 2023	447,592,790	136,950,544	(47,248,479)	6,961,617	544,256,472
2Q 2023	544,256,472	73,497,502	(57,721,948)	8,557,702	568,589,728
3Q 2023	568,589,728	74,359,065	(47,683,277)	10,190,130	605,455,646
4Q 2023	605,455,646	94,221,882	(65,932,061)	15,779,131	649,524,598

CrossingBridge Ultra-Short Duration Fund (in dollars)

	Beginning Balance	Gross Inflows	Gross Outflows	Market Appreciation (Depreciation)	Ending Balance
4Q 2022	68,217,081	19,355,710	(7,395,986)	1,101,691	81,278,496
1Q 2023	81,278,496	14,713,171	(7,428,835)	860,680	89,423,512
2Q 2023	89,423,512	5,804,730	(7,026,250)	1,020,039	89,222,031
3Q 2023	89,222,031	11,258,332	(7,246,212)	1,525,681	94,759,832
4Q 2023	94,759,832	10,304,718	(6,510,438)	1,645,610	100,199,722

RiverPark Strategic Income Fund (in dollars)

	Beginning Balance	Gross Inflows	Gross Outflows	Market Appreciation (Depreciation)	Ending Balance
2Q 2023	241,973,732	40,372,611	(24,849,475)	8,154,583	265,651,451
3Q 2023	265,651,451	124,482,080	(23,665,750)	4,751,326	371,219,107
4Q 2023	371,219,107	48,521,018	(55,778,526)	12,150,343	376,111,942

CrossingBridge Responsible Credit Fund (in dollars)

	Beginning Balance	Gross Inflows	Gross Outflows	Market Appreciation (Depreciation)	Ending Balance
4Q 2022	21,162,608	3,378,563	(1,884,885)	429,010	23,085,296
1Q 2023	23,085,296	1,948,211	(2,030,345)	441,004	23,444,166
2Q 2023	23,444,166	3,218,353	(1,741,322)	110,993	25,032,190
3Q 2023	25,032,190	2,610,494	(1,149,249)	758,471	27,251,906
4Q 2023	27,251,906	6,697,533	(3,952,230)	742,721	30,739,930

CrossingBridge Pre-Merger SPAC ETF (in dollars)

	Beginning Balance	Gross Inflows	Gross Outflows	Market Appreciation (Depreciation)	Ending Balance
4Q 2022	63,311,525	1,660,044	(4,173,316)	1,029,348	61,827,601
1Q 2023	61,827,601	4,146,350	(1,678,392)	1,133,484	65,429,043
2Q 2023	65,429,043	5,294,435	(7,199,642)	1,067,438	64,591,274
3Q 2023	64,591,274	3,449,665	-	940,772	68,981,711
4Q 2023	68,981,711	2,174,830	(3,974,920)	755,426	67,937,047

CrossingBridge Low Duration High Income Fund (UCITS) (in dollars)

	Beginning Balance	Gross Inflows	Gross Outflows	Market Appreciation (Depreciation)	Ending Balance
4Q 2023	-	58,160,996	(545,018)	1,009,877	58,625,855

Destinations Low Duration Fixed Income Fund (in dollars)

	Beginning Balance	Gross Inflows	Gross Outflows	Market Appreciation (Depreciation)	Ending Balance
4Q 2022	451,602,711	-	(140,000,000)	7,644,667	319,247,378
1Q 2023	319,247,378	-	(52,500,000)	5,335,112	272,082,490
2Q 2023	272,082,490	-	(21,000,000)	4,546,336	255,628,826
3Q 2023	255,628,826	-	(14,000,000)	4,537,973	246,166,799
4Q 2023	246,166,799	-	(24,000,000)	11,124,970	233,291,769

Destinations Global Fixed Income Opportunities Fund (in dollars)

	Beginning Balance	Gross Inflows	Gross Outflows	Market Appreciation (Depreciation)	Ending Balance
4Q 2022	326,942,872	17,000,000	-	1,268,523	345,211,395
1Q 2023	345,211,395	-	-	9,048,695	354,260,090
2Q 2023	354,260,090	-	(4,000,000)	9,599,374	359,859,464
3Q 2023	359,859,464	-	(8,000,000)	6,492,731	358,352,195
4Q 2023	358,352,195	-	(45,000,000)	13,602,148	326,954,343

In the tables above, gross inflows include reinvested dividends and gross outflows include dividends paid/withdrawn from the funds.

During the year ended December 31, 2023, CBA's AUM increased by approximately 44.2% to approximately \$1.843 billion. The overall net increase in AUM was primarily the result of CBA becoming the adviser to the RiverPark Strategic Income Fund, which added approximately \$376 million in AUM as of December 31, 2023 compared to December 31, 2022. Excluding the RiverPark Strategic Income Fund, net outflows year over year are primarily attributable to a reduction in assets in the Destinations Low Duration Fixed Income sub-advised account. Every proprietary CrossingBridge advised fund increased their AUM year over year. The AUM of CBA's proprietary advised funds, having higher management fee rates than CBA's sub-advised funds, grew by approximately 109.0% compared to the AUM of advised funds as of December 31, 2022. CBA's advised fund AUM represented approximately 69.6% of total AUM as of December 31, 2023 in comparison to 48.0% of total AUM as of December 31, 2022.

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CBA has seen interest in its funds continuing to grow in the registered investment adviser, bank/trust company, and family office segments of the market and believes that widening credit spreads and/or falling interest rates may also help drive momentum for additional AUM growth. CBA expects demand for the CrossingBridge Low Duration High Yield Fund to continue to increase as the fund has recently attained a strong five-year track record and a five-out-of-five star rating from a leading provider of independent financial research, as of January 31, 2023. In addition, the RiverPark Strategic Income Fund celebrated its 10-year anniversary on September 30, 2023, which established a strong 10-year track record for the fund. CBA believes this, along with CBA's emphasis on downside risk-management, will also help drive continued demand.

For the two newer mutual funds (CrossingBridge Ultra-Short Duration Fund and the CrossingBridge Responsible Credit Fund), although they do not have established track records as individual funds, CBA believes that the market environment paired with its long-standing reputation in the fixed income space will be helpful in continuing to raise assets for those funds. As for the CrossingBridge Pre-Merger SPAC ETF, which was launched on September 20, 2021, we believe the fund remains a viable ultra-short, fixed income alternative. The size of the opportunity set, however, has significantly decreased from peak levels as a substantial amount of SPACs have either completed deals or liquidated, paired with a slowdown in new issuance/capital market activity over the past year. Looking forward, we believe the size of the SPAC market may continue to fluctuate and will be dependent upon a number of factors, including the number and size of mergers and/or liquidations as well as new issues. CBA will continue to closely monitor developments in the market.

Performance

Although performance is a key metric to measure an adviser's success, there are other metrics that CBA believes are more meaningful to its investors, including downside protection during difficult environments, sensitivity to rising interest rates, upside/downside capture, and the risk-adjusted return. Although CBA does not manage to benchmarks, CBA does provide benchmarks to investors as a frame of reference, which are set forth below:

	4Q 2023	3Q 2023	2Q 2023	1Q 2023	4Q 2022
CrossingBridge Low Duration High Yield Fund	2.54%	1.77%	1.55%	1.56%	1.96%
ICE BofA 0-3 Year US HY Index ex Financials	3.60%	1.83%	2.09%	3.22%	2.17%
ICE BofA 1-3 Year Corporate Bond Index	3.03%	0.91%	0.28%	1.29%	1.40%
ICE BofA 0-3 Year US Treasury Index	2.16%	0.94%	(0.03)%	1.42%	0.78%
CrossingBridge Ultra-Short Duration Fund	1.70%	1.68%	1.14%	1.02%	1.50%
ICE BofA 0-1 Year US Corporate Index	1.73%	1.41%	1.23%	1.19%	1.12%
ICE BofA 0-1 Year US Treasury Index	1.52%	1.31%	0.95%	1.18%	0.85%
ICE BofA 0-3 Year US Fixed Rate Asset Backed Securities Index	2.28%	1.21%	0.53%	1.49%	0.70%
RiverPark Strategic Income Fund Inst. Class	3.19%	1.71%	2.41%	1.98%	0.30%
RiverPark Strategic Income Fund Retail Class	3.13%	1.65%	2.36%	1.92%	0.24%
ICE BofA US High Yield Index	7.06%	0.53%	1.63%	3.72%	3.98%
ICE BofA US Corporate Index	7.91%	(2.70)%	(0.21)%	3.45%	3.53%
ICE BofA 3-7 Year US Treasury Index	4.47%	(1.14)%	(1.44)%	2.53%	1.30%
CrossingBridge Responsible Credit Fund	2.48%	2.89%	0.47%	1.93%	1.98%
ICE BofA US High Yield Index	7.06%	0.53%	1.63%	3.72%	3.98%
ICE BofA US Corporate Index	7.91%	(2.70)%	(0.21)%	3.45%	3.53%
ICE BofA 3-7 Year US Treasury Index	4.47%	(1.14)%	(1.44)%	2.53%	1.30%
CrossingBridge Pre-Merger SPAC ETF (Price)	0.97%	1.52%	1.69%	1.74%	1.63%
CrossingBridge Pre-Merger SPAC ETF (NAV)	1.09%	1.42%	1.66%	1.74%	1.64%
ICE BofA 0-3 Year US Treasury Index	2.16%	0.94%	(0.03)%	1.42%	0.78%
CrossingBridge Low Duration High Income Fund	2.17%				
ICE BofA 0-3 Year US Treasury Index	1.89%**				

* **For comparability, performance represents the partial period from October 23, 2023 to December 31, 2023 to reflect activity that corresponds to when the CrossingBridge Low Duration High Income Fund was launched and active during the quarter.

With respect to both Destinations Low Duration Fixed Income Fund and Destinations Global Fixed Income Opportunities Fund (collectively, the "Destination Funds"), CBA serves as one sub-adviser as part of a manager-of-managers strategy. As one of multiple sub-advisers, CBA does not select the benchmarks and does not have a license to use the benchmark performance information for the Destination Funds. CBA believes that the benchmark performance information is not material in this context because CBA's advisory services with respect to the Destination Funds involves only a portion of the assets of the Destination Funds while the benchmarks are selected as an appropriate comparison based on the entire portfolio of the Destination Funds across all of the relevant sub-advisers.

All of CBA's proprietary advised products generated positive returns for investors during the year ended December 31, 2023 and during the year ended December 31, 2022. During the years ended December 31, 2023 and 2022, CBA believes its contributions to the performance of Destinations Low Duration Fixed Income Fund and the Destinations Global Fixed Income Opportunities Fund were accretive as CBA continues to be a steward of a significant allocation within these funds.

Willow Oak Operations

Willow Oak generates its revenue through various fee share and consulting agreements with private investment firms and partnerships in exchange for providing operational services. Willow Oak does not manage, direct, or invest any capital itself, but rather earns fee shares based on its service agreements and the AUM and periodic performance of the investment firms and partnerships with which it partners. Fee shares earned on AUM, management fee shares, and fund management services revenue are recognized and recorded on a monthly or quarterly basis in alignment with the underlying terms of each investment partnership. Revenue fee shares earned on performance are recognized and recorded only when the underlying investment partnership's performance crystallizes, which is typically on an annual, calendar-year basis. As performance fee shares are based on investments returns, these fee shares have the potential to be highly variable.

During years ended December 31, 2023 and 2022, the Willow Oak operations segment generated \$182,970 and \$61,499 of revenue, respectively. Approximately 39% of revenue generated by Willow Oak during the year ended December 31, 2023 is attributed to new consulting relationships that were established during the current year. Operating expenses totaled \$399,928 and \$172,865, other income (expenses) totaled \$1,104 and (\$692), during the years ended December 31, 2023 and 2022, respectively. The segment's net loss totaled \$215,854 and \$112,058, respectively. Compensation and related payroll costs represent Willow Oak's most significant operating expense during the years ended December 31, 2023 and 2022.

Willow Oak activity for the year ended December 31, 2022 only includes activity occurring on and after August 12, 2022, the start of the post-Merger period ("Post-Merger"), so comparability may be limited. See Note 4 to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K for more information.

The table below provides a summary of income statement amounts for Willow Oak, which are included in the consolidated statements of operations for the year ended December 31, 2023 and the Post-Merger period from August 12, 2022 through December 31, 2022.

Willow Oak Operations Revenue	Year Ended December 31,	
	2023	2022
Management fee revenue	\$ 64,254	\$ 22,176
Fund management services revenue	109,282	38,740
Performance fee revenue	9,434	583
Total revenue	\$ 182,970	\$ 61,499

Internet Operations

As of December 31, 2023, the internet operations segment had a total of 5,467 customer accounts across the U.S. and Canada. As of December 31, 2023, approximately 92% of our customer accounts are U.S.-based, while 8% are Canada-based. During the year ended December 31, 2023, approximately 45% of our revenue was driven by internet access services, with the remaining 55% being earned through web hosting, email, and other web-based services.

Revenue generated by our U.S. customers totaled \$689,802 and \$291,472, and revenue generated by our Canadian customers totaled \$35,968 and \$14,208 during the years ended December 31, 2023 and 2022, respectively.

During the years ended December 31, 2023 and 2022, the internet operations segment generated \$725,770 and \$305,680 of revenue, cost of revenue totaled \$218,269 and \$103,843, operating expenses totaled \$234,173 and \$105,115, other expenses totaled \$19,882 and \$398, and net income totaled \$253,446 and \$96,324, respectively. Year over year the internet operations segment increased its net operating margin from approximately 32% for the year ended December 31, 2022 to approximately 35% for the year ended December 31, 2023.

Internet activity for the year ended December 31, 2022 only includes activity occurring Post-Merger, so comparability may be limited. See Note 4 to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K for more information.

Other Operations

During the year ended December 31, 2023, our other operations segment did not produce any revenue or cost of revenue, operating expenses totaled \$1,753,039, and other income totaled \$512,788. Corporate operating expenses accounted for \$1,666,022 of reported operating expenses for our other operations segment during the year ended December 31, 2023. Included in corporate operating expenses during the year ended December 31, 2023 are \$697,386 of professional fees, \$467,617 of compensation related expenses, and \$200,846 of non-cash stock compensation expenses recorded as part of equity awards granted to directors and employees under the Company's 2022 Omnibus Equity Incentive Plan. During the year ended December 31, 2023, the other operations segment reported \$334,400 of other income related to the realized gain on our second amended and restated promissory note issued by Triad DIP Investors, LLC, \$846,916 of interest and dividend income, and \$183,511 of other net investment income. This resulted in a net loss of \$1,240,251 for the other operations segment for the year ended December 31, 2023.

This compares to the year ended December 31, 2022 when the other operations segment did not produce any revenue or cost of revenue, operating expenses totaled \$2,153,767, other income totaled \$1,263,146, and the net loss totaled \$890,621. Included in corporate operating expenses reported for the year ended December 31, 2022 are \$881,755 of non-cash stock compensation expenses and \$470,329 of transaction expenses incurred in conjunction with the Business Combination, \$439,472 of professional expenses, and \$237,638 of compensation related expenses.

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During the year ended December 31, 2023, we reported \$613,504 of income tax expense, which is related to a decrease in net deferred tax assets coupled with an increase in our currently payable income tax liability. As noted above, due to CBA's disregarded status for periods prior to the Closing Date, no comparable income tax expenses existed prior to the Closing Date. For the Post-Merger period ending December 31, 2022, we reported \$191,678 of income tax benefit related to an increase in our net deferred tax assets.

Other operations activity for the year ended December 31, 2022 only includes activity occurring Post-Merger, so comparability may be limited. See Note 4 to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K for more information.

Liquidity and Capital Resources

During the year ended December 31, 2023, we carried out our business strategy in four operating segments: CrossingBridge operations, Willow Oak operations, internet operations, and other operations. As a result of the Business Combination that occurred on August 11, 2022 and the determination that the Business Combination would be accounted for as a reverse acquisition, historical activity presented prior to the Closing Date for the year ended December 31, 2022 includes only CrossingBridge financial activity.

Our primary focus is on generating cash flow so that we have the flexibility to pursue opportunities as they present themselves. We intend to only invest cash in a segment if we believe that the return on the invested capital is appropriate for the risk associated with the investment. This consideration is measured against all investment opportunities available to us and is not limited to these particular segments nor our historical operations.

Significant amounts of our assets are comprised of cash and cash equivalents, investments in securities, and accounts receivable. Our main source of liquidity is cash flows from operating activities, which are primarily generated from investment advisory fees generated through our CrossingBridge operations segment. Cash and cash equivalents, investments in securities, and net accounts receivable represented approximately \$9.0 million, \$7.7 million and \$1.1 million of total assets as of December 31, 2023, respectively, and approximately \$10.7 million, \$5.9 million and \$0.7 million of total assets as of December 31, 2022, respectively. We believe that these sources of liquidity, as well as continuing cash flows from operating activities will be sufficient to meet our current and future operating needs for at least the next 12 months from the date of filing of this report.

In line with our objectives, we anticipate that our main uses of cash will be for operating expenses and seed capital to fund new and existing investment strategies through our CrossingBridge operations segment. Our management regularly reviews various factors to determine whether we have capital in excess of that required for our business, and the appropriate uses of any such excess capital.

The aging of accounts receivable as of December 31, 2023 and December 31, 2022 is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current	\$ 1,052,151	\$ 741,363
30 - 60 days	6,658	3,275
60+ days	5,604	-
Total	<u>\$ 1,064,413</u>	<u>\$ 744,638</u>

We have no material capital expenditure requirements.

Cash Flow Analysis

Cash Flows from Operating Activities

We reported \$2,705,976 of net cash provided by operating activities for the year ended December 31, 2023. The realized gain on the note receivable, amortization and depreciation expenses, and an increase in accounts receivable represented significant adjusting items to cash flows generated through operations. This compares to the year ended December 31, 2022 when we reported \$1,725,722 of net cash provided by operating activities. Other income recognized from the W-1 Warrant revaluation and expenses related to the issuance of the W-2 Warrant and additional share purchases represented significant adjusting items to cash flows generated through operations.

Cash Flows from Investing Activities

We reported \$3,822,607 of net cash used in investing activities for the year ended December 31, 2023. This was primarily related to a net increase in investments and investments made in private companies during the current year. This compares to the year ended December 31, 2022 when we reported \$11,827,999 of net cash provided by investing activities, which was primarily related to the consolidation of Enterprise Diversified's assets and liabilities pursuant to the Business Combination.

Cash Flows from Financing Activities

We reported \$590,577 of net cash flows used in financing activities for the year ended December 31, 2023. This was primarily related to the payment of earn-outs related to the RiverPark Strategic Income Fund transaction during the current year. This compares to the year ended December 31, 2022 when we reported \$4,136,247 of net cash flows used in financing activities. Prior to the Closing Date, we repaid the balance of our due to affiliate amount and made distributions to CrossingBridge's historical sole member. These outflows were offset by the issuance of Class A Common Stock pursuant to the Business Combination.

Summary Discussion of Critical Accounting Estimates

The consolidated financial statements included in this report were prepared in accordance with U.S. generally accepted accounting principles, which requires management to make estimates, assumptions and judgments that affect various matters, including our reported amounts of assets and liabilities in our consolidated balance sheets at the dates of the financial statements; our disclosure of contingent assets and liabilities at the dates of the financial statements; and our reported amounts of revenues and expenses in our statements of operations during the reporting periods. These estimates involve judgments with respect to numerous factors that are difficult to predict and are beyond management's control. As a result, actual results could materially differ from these estimates.

The SEC defines critical accounting estimates as those that are both most important to the portrayal of a company's financial condition and results of operations and require management's most difficult, subjective, or complex judgment, often as a result of the need to make estimates about the effect of matters that are inherently uncertain and may change in subsequent periods. We base our estimates on historical experience and on various other assumptions we believe to be reasonable according to current facts and circumstances. These estimates form the basis for making judgments about the carrying values of assets and liabilities and the recording of revenues and expenses that are not readily apparent from other sources. See Note 2 to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K, for a discussion of our significant accounting policies.

Fair-Value of Long-Term Assets

Assets Acquired Pursuant to the Business Combination

The excess of purchase consideration over the fair value of net tangible and intangible assets acquired was recorded as goodwill, which is primarily attributed to the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized including expected synergies and the assembled workforce in place. The fair values assigned to tangible and intangible assets acquired and liabilities assumed are based on management's estimates and assumptions and may be subject to change as additional information is received.

During the Post-Merger period, the Company recorded three measurement period adjustments to the preliminary recorded fair values assigned to certain Company assets acquired as of the Closing Date. The net changes in fair value, netting an increase of \$939,556, proportionally decreased the balance of residual goodwill from \$1,677,425 to \$737,869 as of December 31, 2022. These adjustments were the product of expanded valuation analyses performed by management during the Post-Merger period. As of the year ended December 31, 2023, the Company considers the fair values of assets acquired and liabilities assumed to be final and no longer subject to potential adjustments. See Note 4 to the accompanying consolidated financial statements included elsewhere in this Annual Report on Form 10-K for more information.

Goodwill

The Company tests its goodwill annually as of December 31, or more often if events and circumstances indicate that those assets might not be recoverable. Impairment testing of goodwill is required at the reporting-unit level (operating segment or one level below operating segment). The impairment test involves calculating the impairment of goodwill based solely on the excess of the carrying value of the reporting unit over the fair value of the reporting unit. Prior to performing the impairment test, the Company may make a qualitative assessment of the likelihood of goodwill impairment to determine whether a detailed quantitative analysis is required. This qualitative assessment and the ongoing evaluation of events and circumstances represent critical accounting estimates. Management considers a variety of factors when making these estimates, which include, but are not limited to, internal changes in the segment's operations, external changes that affect the segment's industry, and overall financial condition of the segment and Company.

Management did not identify any events or circumstances during the year ended December 31, 2023 that would indicate potential goodwill impairment, nor did management's qualitative assessment performed on December 31, 2022 indicate a potential goodwill impairment. Total goodwill reported on the consolidated balance sheets was \$737,869 as of the years ended December 31, 2023 and 2022.

Long-Term Investments

When investment inputs or publicly available information are limited or unavailable, management estimates the value of certain long-term investments using the limited information it has available, which can include the Company's cost basis. This process, which can be used to measure the values of the Company's investments in the private companies made through Enterprise Diversified, represents a critical accounting estimate. Management utilizes the available inputs to perform an initial valuation estimate and subsequently updates that valuation when additional inputs become available.

Management did not identify any events or circumstances during the year ended December 31, 2023 that would indicate potential impairment of Enterprise Diversified's private company investments measured at cost basis. These investments are reported on the consolidated balance sheets for a total of \$1,455,266 as of the year ended December 31, 2023. No comparable investment existed as of the year ended December 31, 2022.

Other Intangible Assets

When management determines that material intangible assets are acquired in conjunction with the purchase of a business, the Company determines the fair values of the identifiable intangible assets by taking into account internal and external appraisals. The Company evaluates, at each balance sheet date, whether events and circumstances have occurred that indicate possible impairment. These initial appraisals, as well as the subsequent evaluation of events and circumstances that may indicate impairment, represent critical accounting estimates.

Management did not identify any events or circumstances during the years ended December 31, 2023 and 2022 that would indicate potential impairment of the Company's customer lists, trade names, investment management agreements, non-compete, or domain names. The total value of the Company's intangible assets, net of amortization and excluding goodwill, reported under long-term assets on the consolidated balance sheets is \$3,155,290 and \$1,223,926 as of the years ended December 31, 2023 and 2022, respectively.

Deferred Tax Assets and Liabilities

Income taxes are accounted for under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax benefits or consequences of events that have been included in the consolidated financial statements. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Management's analysis of the amount of deferred tax assets that will ultimately be realized represents a critical accounting estimate.

As of December 31, 2023 and 2022, the Company had federal and state net operating loss carryforwards of approximately \$6.0 million and \$6.8 million, respectively. A portion of these carryforwards will expire in various amounts beginning in 2035; however the majority of these carryforwards will not expire as they were generated after December 31, 2017. The Company expects it will be able to use its carryforwards subject to expiration in full prior to 2035. Section 382 of the Internal Revenue Code of 1986, as amended ("Section 382"), limits the use of net operating loss carryforwards in certain situations where changes occur in the stock ownership of a company. Net operating losses that arose prior to that ownership change will have limited availability to offset taxable income arising in periods following the ownership change. During the year ended December 31, 2022, the Company performed an analysis to determine if a change of control occurred as a product of the Business Combination and has concluded that a change of control is more likely than not to have occurred on August 11, 2022. Under Section 382, net operating loss carryforwards that arose prior to the ownership change will have limited availability to offset taxable income arising in future periods following the ownership change. Section 382 imposes multiple separate and distinct limits on the utilization of pre-change of control net operating losses based on the fair market value of the Company immediately prior to the change of control, as well as certain activities that may or may not occur during the 60 months immediately following the change of control. While the majority of the Company's historic net operating losses will be limited to an annual threshold, the majority of historic net operating losses also will not be subject to future expiration. As of the years ended December 31, 2023 and 2022, the Company has not provided a valuation allowance against its net operating losses as the Company expects to be able to use its net operating losses in full to offset future taxable income generated by the Company. See Note 11 to the accompanying consolidated financial statements included elsewhere in this Annual Report on Form 10-K for more information.

As described further in Note 4 to the accompanying consolidated financial statements included elsewhere in this Annual Report on Form 10-K, during the three-month period ended December 31, 2022, the Company recorded a measurement period adjustment to the preliminary recorded fair value assigned to the Company's acquired net deferred tax assets on the Closing Date. The fair value of acquired net deferred tax assets was increased from \$0 to \$1,249,556, with the corresponding decrease allocated to the Company's residual amount of goodwill as of December 31, 2022. This adjustment was the product of the Section 382 analysis described above.

As of the years ended December 31, 2023 and 2022, the Company reported \$1,173,001 and \$1,441,234 of net deferred tax assets on its consolidated balance sheets, respectively.

Contingencies, Commitments, and Litigation

Liabilities are recognized when management determines that contingencies, commitments, and/or litigation represent events that are more likely than not to result in a measurable obligation to the Company. Management's analysis of these events represents a critical accounting estimate.

Earn-Out Liability

Contingent payment obligations related to asset purchases, if estimable and probable of payment, are initially recorded at their estimated value. When the contingency is ultimately resolved, any additional contingent consideration issued or issuable over the amount that was initially recognized as a liability is considered an additional cost of the acquisition. These additional costs would then be allocated to the qualifying assets on a relative fair value basis. Pursuant to the RiverPark Agreement, we entered into an earn-out arrangement in which CBA shall pay an amount approximately equal to 50% of RiverPark Fund's management fees (as set forth in RiverPark Fund's prospectus) to RiverPark (the prior adviser) and Cohanzick (the prior sub-adviser) for a period of three years after closing on May 12, 2023, and pay an amount approximately equal to 20% of the RiverPark Fund's management fees in the fourth and fifth years after closing as set forth in the RiverPark Agreement. Management's initial estimate of fair value of the earn-out liability was calculated based on the terms of the earn-out arrangement and the AUM of the RiverPark Fund at the time of closing on May 12, 2023. As the future AUM of the RiverPark Fund is subject to fluctuation, the amount of contingent consideration ultimately paid could vary from management's initial estimate, representing a critical accounting estimate. As of December 31, 2023, this liability is reported in total at \$1,427,212 on our consolidated balance sheets. No comparable liability existed as of the year ended December 31, 2022. See Notes 2 and 6 to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K for more information.

W-1 Warrant and Class B Common Shares

Pursuant to the Merger Agreement, on the Closing Date the Company issued a Class W-1 Warrant to purchase 1,800,000 of the Company's Class A Common Stock. The liability associated with the issuance of the warrant, and the embedded shares of Class B Common Stock includes a Black-Scholes pricing model. As of the years ended December 31, 2023 and 2022, the long-term liability reported on the Company's consolidated balance sheets for the W-1 Warrant and shares of Class B Common Stock totals \$464,000 and \$576,000, respectively. See Note 6 to the accompanying consolidated financial statements included elsewhere in this Annual Report on Form 10-K for more information.

Subsequent Events

On March 9, 2024, CBA replaced its affiliate Cohanzick as the Sub-Adviser to the RiverPark Short Term High Yield Fund (the "RiverPark Fund"). RiverPark Advisors, LLC ("RiverPark") remains the advisor to the RiverPark Fund.

The RiverPark Fund, which has been advised by RiverPark and sub-advised by Cohanzick since its inception on September 30, 2010, currently has in excess of \$780 million in AUM. Current Portfolio Manager, David Sherman, will continue to manage the RiverPark Fund in his capacity as President and Portfolio Manager of CBA, thereby consolidating all investment strategies under the CBA fund family.

Additionally, on March 8, 2024, Cohanzick entered into an agreement with CBA to assign all other investment advisory contracts and additional assets, and CBA assumed certain liabilities arising from such advisory contracts. Cohanzick will deregister as a registered investment advisor. CBA paid Cohanzick \$10,000,000 for the advisory contracts by way of a promissory note. CBA will pay Cohanzick quarterly interest payments beginning on June 30, 2024 until the note is paid in full. The note matures on March 8, 2031. CBA cannot prepay all or any portion of the principal amount of the note prior to March 8, 2027. After March 8, 2027, CBA may prepay the note without any penalty or premium. The note is solely an obligation of CBA and is non-recourse to ENDI. There has been no change in ownership among Cohanzick, CBA and ENDI.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company is not required to provide the information required by this Item as it is a “smaller reporting company,” as defined in Rule 12b-2 of the Exchange Act.

ITEM 8. FINANCIAL STATEMENTS

The information required by this Item 8 may be found immediately after the signature pages to this Annual Report on Form 10-K and is incorporated herein by reference.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

The Company’s management, with the participation of our principal executive officer and principal financial officer, have evaluated the effectiveness of the design and operation of our “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act, as of December 31, 2023. Disclosure controls and procedures are designed to ensure that information required to be disclosed in the reports we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms, and that such information is accumulated and communicated to our management, including our principal executive officer and principal financial officer, to allow timely decisions regarding required disclosures. Based upon this evaluation, and based upon material weaknesses in our internal control over financial reporting identified as of the date of our most recent evaluation of internal controls over financial reporting as set forth below, our principal executive officer and principal financial officer concluded that our disclosure controls and procedures were not effective as of December 31, 2023.

Management’s Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) of the Exchange Act. Internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of our assets; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of our consolidated financial statements in accordance with generally accepted accounting principles, and that our receipts and expenditures are being made only in accordance with authorizations of our management and directors; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of our assets that could have a material effect on our consolidated financial statements. Under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer, we conducted an evaluation of the effectiveness of our internal control over financial reporting based on criteria established in the *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. Management’s assessment included evaluation of such elements as the design and operating effectiveness of key financial reporting controls, process documentation, accounting policies, and our overall control environment. Based on this evaluation, our management concluded that, as of December 31, 2023, our internal control over financial reporting was not effective based on such criteria. We have reviewed the results of management’s assessment with our board of directors. In addition, we will evaluate any changes to our internal control on a quarterly basis to determine if a material change occurred.

Material Weaknesses in Internal Controls

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our financial statements would not be prevented or detected on a timely basis.

As a result of our evaluations, we identified the following material weaknesses in our internal control over financial reporting as of December 31, 2023:

Segregation of Duties: We lack segregation of duties. Specifically:

- There is not a formal review of all adjusting journal entries;
- There is not a formal procedure for the review and assignment of access rights within certain software systems; and
- The individual with responsibility for reviewing journal entries, reviewing bank and credit card payments, and other reconciliations also has a wide range of access within the Company’s systems and is an authorized signatory on bank accounts.

Financial Close and Reporting: We do not have effective internal controls over all parts of the financial close and reporting process in that one individual is responsible for reconciling significant accounts, preparing supporting calculations, preparing the most significant journal entries, evaluating complex transactions and reporting requirements, and is also responsible for the financial statement close, consolidation, and reporting process.

During the year ended December 31, 2022, as a result of the closing of the Merger, we were afforded additional personnel resources that can now be integrated into our internal control processes. We are actively working to restructure our historical internal controls over financial reporting to leverage these resources accordingly. We continue to make efforts to reinforce our internal control environment by engaging third-party consultants to review the accounting and related disclosures for transactions that management and the board of directors determine to be particularly complex and maintaining strict document retention policies and procedures that allow for full visibility of all financial statements and schedules by all of our managers and officers.

In response to the identified material weaknesses, we are developing a phased approach that is intended to increase the effectiveness of the design and operation of our financial reporting controls and processes. In the first phase, we expect to work with a third-party professional consultant to prepare formal documentation for our internal controls over financial reporting, which may include an entity level controls assessment, an IT general controls assessment, and process area flowcharts where necessary. In the second phase, we expect to use our control documentation to identify ineffectively designed and/or control gaps and work to remediate them. Finally, in phase three, we expect to design a systematic monitoring plan to sufficiently test our new key controls over the course of future reporting periods. As of the year ended December 31, 2023, the Company is continuing its work on the first phase of this approach. Notwithstanding the foregoing, there is no guarantee that we will be successful in completing this multi-phased approach and remediating the material weaknesses.

Changes in Internal Control Over Financial Reporting

There have been no changes in our internal control over financial reporting during the three-month period ended December 31, 2023, that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

Limitations on Effectiveness of Controls and Procedures

In designing and evaluating the disclosure controls and procedures, management recognizes that any controls and procedures, no matter how well designed and operated, cannot provide absolute assurance that the objectives of the controls system are met, and no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within a company have been detected. In addition, the design of disclosure controls and procedures must reflect the fact that there are resource constraints and that management is required to apply judgment in evaluating the benefits of possible controls and procedures relative to their costs.

ITEM 9B. OTHER INFORMATION

On March 9, 2024, CBA replaced its affiliate Cohanzick as the Sub-Adviser to the RiverPark Short Term High Yield Fund (the "RiverPark Fund"). RiverPark Advisors, LLC ("RiverPark") remains the advisor to the RiverPark Fund.

The RiverPark Fund, which has been advised by RiverPark and sub-advised by Cohanzick since its inception on September 30, 2010, currently has in excess of \$780 million in AUM. Current Portfolio Manager, David Sherman, will continue to manage the RiverPark Fund in his capacity as President and Portfolio Manager of CBA, thereby consolidating all investment strategies under the CBA fund family.

Additionally, on March 8, 2024, Cohanzick entered into an agreement with CBA to assign all other investment advisory contracts and additional assets, and CBA assumed certain liabilities arising from such advisory contracts. Cohanzick will deregister as a registered investment advisor. CBA paid Cohanzick \$10,000,000 for the advisory contracts by way of a promissory note. CBA will pay Cohanzick quarterly interest payments beginning on June 30, 2024 until the note is paid in full. The note matures on March 8, 2031. CBA cannot prepay all or any portion of the principal amount of the note prior to March 8, 2027. After March 8, 2027, CBA may prepay the note without any penalty or premium. The note is solely an obligation of CBA and is non-recourse to ENDI. There has been no change in ownership among Cohanzick, CBA and ENDI.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

Not applicable.

PART III**ITEM 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE****DIRECTORS**

Our Board currently consists of five directors, and their terms will expire at the 2024 Annual Meeting. Directors are elected at the annual meeting of stockholders each year and hold office until their resignation or removal or their successors are duly elected and qualified.

At the 2024 Annual Meeting, five nominees (including three nominees to be elected solely by Cohanzick Management, LLC as the beneficial owner of 100% of our outstanding Class B common stock) to the Board of Directors will be elected to hold office for a one-year term ending at our 2025 annual meeting of stockholders or until their respective successors are duly elected and qualified or until their earlier death, resignation or removal.

Pursuant to our Amended and Restated Certificate of Incorporation, the holders of our Class B common stock, voting as a single class, have the right to designate such number of directors to our Board equal to the percentage of our common stock beneficially held by such holders of our Class B common stock and their affiliates, rounded up to the nearest whole number. Notwithstanding the foregoing, the holders of our Class B common stock shall not have the right to designate more than a majority of our director nominees. In addition, so long as the holders of our Class B common stock beneficially own at least 5% of our outstanding common stock, such holders, voting as a single class, shall have the right to designate at least one director.

The following are biographical summaries of our executive officers and their ages:

Name	Age	Position(s)
David Sherman	58	Chief Executive Officer and Director
Steven Kiel	45	Director
Thomas McDonnell	78	Chairman
Abigail Posner	51	Director
Mahendra Gupta	68	Director

David Sherman

David Sherman has served as the Chief Executive Officer and a director of the Company since August 11, 2022, the closing date of the Business Combination. Since August 1996, Mr. Sherman has served as the Chief Executive Officer, Manager of and Chief Investment Officer of Cohanzick Management, LLC (“Cohanzick”), a registered investment adviser. Cohanzick specializes in corporate credit opportunities with a focus on high yield, stressed and distressed opportunities. Mr. Sherman has served as the President of CrossingBridge, the Company’s now wholly-owned subsidiary and registered investment adviser, since 2016. Prior to founding Cohanzick, Mr. Sherman worked at Leucadia National Corporation, a financial services company, for 10 years. In 1992, Mr. Sherman became a Vice President actively involved in corporate investments and acquisitions. In addition, Mr. Sherman was Treasurer of Leucadia’s insurance operations with \$3 billion of assets. In 2021, Mr. Sherman was appointed as an adjunct professor within NYU Stern’s Finance Department focused on Global Value Investing. Mr. Sherman graduated from Washington University with a B.S. in business administration. Mr. Sherman’s qualifications to serve on the Company’s Board include the experience derived from the ownership and operation of his own investment management firm for almost 30 years, and his in-depth knowledge of the investment management industry resulting from his years working in the industry.

Steven Kiel

Steven Kiel served as a director of Enterprise Diversified, Inc., the predecessor registrant to the Company and, effective as of the closing of the Business Combination, a wholly-owned subsidiary of the Company, from 2014 until the closing of the Business Combination. Since the closing of the Business Combination, he has served on the Board of the Company. Since 2009, Mr. Kiel has served as the President of Arquitos Capital Management, LLC, a private investment firm, and since April 2012 he has served as portfolio manager of Arquitos Capital Partners, LP, a U.S. onshore fund, and Arquitos Capital Offshore, Ltd, a British Virgin Islands offshore fund. Mr. Kiel was a judge advocate in the Army Reserves, a veteran of Operation Iraqi Freedom, and retired at the rank of Major. Prior to launching Arquitos Capital Management, Mr. Kiel was an attorney in private practice. He is a graduate of Antonin Scalia Law School (formerly George Mason School of Law) and Illinois State University and is a member of the bar in Illinois (inactive) and Washington, DC. Mr. Kiel’s qualifications to serve on the Company’s Board include his prior experience as a long-time director and former Chief Executive Officer of Enterprise Diversified, Inc. and his relevant experience in the investment management industry.

Thomas McDonnell

Thomas McDonnell has served on the Board of the Company and as its Chairman since the closing of the Business Combination. Mr. McDonnell has served as a lead member of the board of directors of Euronet (Nasdaq: EEFT), an electronic payments processing provider, since its incorporation in December 1996, and since 2003, Mr. McDonnell has served as a member of the board of directors of Kansas City Southern, a holding company with domestic and international rail operations. In addition, since 2015, Mr. McDonnell has served as a director of Bank of Blue Valley. From 1969 to 2012, Mr. McDonnell served in various capacities at DST Systems, Inc., a company that provided advisory, technology and operations outsourcing services, including serving as its Chief Executive Officer from 1984 until 2012. He received his Bachelor of Science in Accounting from Rockhurst College and a Master of Business Administration from the Wharton School of Finance. Mr. McDonnell’s qualifications to serve on the Company’s Board include his more than 30 years of significant governance experience serving on boards of directors, his leadership experience as a Chief Executive Officer and his education in finance.

Abigail Posner

Abigail Posner has served on the Board since the closing of the Business Combination. She has served as the Director of Google’s US Creative Works since May 2018, where she manages a set of cross-discipline teams who work closely with the advertising and marketing communities to help develop their strategic and creative efforts for the digital space. Before joining Google, Ms. Posner served as the Executive Vice President, Strategy Director at Publicis New York, an advertising agency, where she directed strategic brand planning efforts for major new business pitches and provided thought leadership to key global clients. She also previously served as Co-Strategy Director at DDB Worldwide, a worldwide marketing communications network. She graduated from Harvard University with a bachelor’s degree in social anthropology. Ms. Posner’s qualifications to serve on the Company’s Board include her years of brand development experience, management skills and experience advising a global client base.

Mahendra Gupta

Dr. Mahendra Gupta has served on the Board since the closing of the Business Combination. Dr. Gupta has served on the Olin Business School at Washington University in St. Louis faculty since 1990 and in 2004 was named the Geraldine J. and Robert L. Virgil Professor of Accounting and Management. He was appointed dean of the Olin Business School in July 2005 and served in that role until June 2016. Dr. Gupta serves on the following board of directors and their audit committees: Credit Suisse Mutual Funds, USA (NYSE: CS); First Bank, a privately held bank in St. Louis, Missouri; and Caleres Inc. (NYSE: CAL), a footwear company. He is also on the boards of the Consortium for Graduate Study in Management, the Foundation for Barnes Jewish Hospital, and the Oasis Institute. Dr. Gupta has also served on the board of Dance St. Louis, Variety – Children’s Charity, Junior Achievement of Greater St. Louis, Guardian Angles Settlement Association and United Way of Greater St. Louis. Dr. Gupta’s research has been published in academic journals in the United States and abroad. Dr. Gupta received his PhD in accounting from Stanford University, his MSIA in business administration from Carnegie Mellon University and his bachelors of science in statistics/economics from Bombay University (currently known as the University of Mumbai). Dr. Gupta’s qualifications to serve on the Company’s Board include his governance experience serving on several board of directors and audit committees and his extensive academic experience and education in accounting, administration, statistics and economics.

EXECUTIVE OFFICERS

The following are biographical summaries of our executive officers and their ages, except for Mr. Sherman, whose biography is included under the heading “Directors” set forth above:

<u>Name</u>	<u>Age</u>	<u>Position(s)</u>
David Sherman	58	Chief Executive Officer and Director
Alea Kleinhammer	33	Chief Financial Officer
Jessica Greer	45	Secretary

Alea Kleinhammer

Alea Kleinhammer has served as the Chief Financial Officer of the Company since the closing of the Business Combination. She previously served as a director and Chief Financial Officer of Enterprise Diversified, Inc., the predecessor registrant to the Company and, effective as of the closing of the Business Combination, a wholly-owned subsidiary of the Company, from May 2019 until the closing of the Business Combination. Ms. Kleinhammer worked closely with all of Enterprise Diversified Inc.’s subsidiaries as part of the financial reporting process from 2016 until the closing of the Business Combination. Ms. Kleinhammer holds an active CPA license in the state of Virginia and has experience working in the public accounting sector. Ms. Kleinhammer received a Bachelor of Science in accounting from the University of Maryland at College Park.

Jessica Greer

Jessica Greer has served as the Secretary of the Company since the closing of the Business Combination. From February 2018 until the closing of the Business Combination, Ms. Greer served as Vice President, Chief of Staff and Corporate Secretary of Enterprise Diversified, Inc., the predecessor registrant to the Company and, effective as of the closing of the Business Combination, a wholly-owned subsidiary of the Company. Since February 2018, Ms. Greer has served as the President of Willow Oak Asset Management, LLC, the Company's wholly-owned asset management subsidiary, where she leads the fund management services division, offering operational and investor relations support to the funds on the Willow Oak platform. Previously, Ms. Greer served in various management, development, and fundraising roles for a public policy group in Washington, DC, as well as leadership roles on small non-profit boards. Ms. Greer is a graduate of Loyola University Maryland.

Family Relationships

There are no family relationships among any of our executive officers or directors.

Involvement in Certain Legal Proceedings

We are not aware of any of our directors or officers being involved in any legal proceedings in the past ten years relating to any matters in bankruptcy, insolvency, criminal proceedings (other than traffic and other minor offenses), or being subject to any of the items set forth under Item 401(f) of Regulation S-K.

Delinquent Section 16(a) Reports

None.

CORPORATE GOVERNANCE

General

We believe that good corporate governance is important to ensure that our Company is managed for the long-term benefit of our stockholders. This section describes key corporate governance practices that we have adopted. We have adopted a Code of Business Conduct and Ethics which applies to all of our officers, directors and employees and charters for our audit committee, our compensation committee and our nominating and corporate governance committee. We have posted copies of our Code of Business Conduct and Ethics, as well as each of our committee charters, on our website, www.endicorp.com, which you can access free of charge. Information contained on the website is not incorporated by reference in, or considered part of, this Annual Report on Form 10-K.

We will also provide copies of these documents as well as our other corporate governance documents, free of charge, to any stockholders upon written request to ENDI Corp., 2400 Old Brick Rd., Suite 115, Glen Allen, VA 23060, Attn: Secretary.

Director Independence

Our Board of Directors has determined that a majority of the Board consists of members who are currently "independent" as that term is defined under Nasdaq listing rules. Our Board of Directors considers Thomas McDonnell, Abigail Posner and Mahendra Gupta to be "independent."

Board Leadership Structure and Role in Risk Oversight

The positions of Chief Executive Officer and Chair of our Board of Directors are held by two different individuals (David Sherman and Thomas McDonnell, respectively). This structure allows our Chief Executive Officer to focus on our day-to-day business while our Chair leads our Board of Directors in its fundamental role of providing advice to and independent oversight of management. Our Board of Directors believes such separation is appropriate, as it enhances the accountability of the Chief Executive Officer to the Board of Directors and strengthens the independence of the Board of Directors from management.

Board Meetings

During the fiscal year ended December 31, 2023, our Board held five meetings. In addition, during the fiscal year ended December 31, 2023, each of our audit committee, our compensation committee and our nominating and corporate governance committee held four and one meetings, respectively. Each of our directors attended 100% of the aggregate of the total number of meetings of our Board of Directors and the total number of meetings held by all committees of the Board on which such member served.

Committees of Our Board of Directors

Our Board of Directors directs the management of our business and affairs, as provided by Delaware law, and conducts its business through meetings of the Board of Directors and its standing committees. Effective as of the Closing Date of the Business Combination, we have a standing audit committee, compensation committee and nominating and corporate governance committee. In addition, from time to time, special committees may be established under the direction of the Board of Directors when necessary to address specific issues.

Our Board of Directors has determined that all of the members of the audit committee, and a majority of the members of the nominating and corporate governance committee and the compensation committee are independent as defined under Nasdaq listing rules, including, in the case of all of the members of our audit committee, the independence requirements set forth in Rule 10A-3 under the Securities Exchange Act of 1934, as amended ("Exchange Act"). In making such determination, the Board of Directors considered the relationships that each director has with our Company and all other facts and circumstances that the Board of Directors deemed relevant in determining director independence, including the beneficial ownership of our capital stock by each director.

Audit Committee

Our audit committee is responsible for, among other things:

- providing oversight relating to the Company’s accounting and financial reporting processes and internal controls, including audits and the integrity of the Company’s consolidated financial statements;
- reviewing and overseeing the qualifications, independence and performance of the Company’s independent auditors;
- identifying and assessing certain risks and internal controls associated with audit matters;
- overseeing compliance by the Company with legal and regulatory requirements;
- reviewing and approving transactions between us and our directors, officers and affiliates; and
- preparing the report, statements and/or disclosures of the audit committee that the rules of the SEC require to be included in our annual meeting proxy statement.

Our audit committee consists of Thomas McDonnell, Mahendra Gupta, and Steven Kiel. Our Board of Directors has determined that both Thomas McDonnell and Mahendra Gupta qualify as an “audit committee financial expert,” as such term is defined in Item 407(d)(5) of Regulation S-K, and both of Messrs. McDonnell and Gupta are independent.

Our Board of Directors adopted a written charter for the audit committee, which is available on our website at www.endicorp.com.

Compensation Committee

Our compensation committee is responsible for, among other things:

- assisting the Board with compensation and other related organizational matters;
- reviewing the Company’s compensation strategy and evaluating the Company’s peer companies for compensation assessment purposes;
- recommending and approving the standards and objectives to be considered in determining executive compensation in compliance with SEC rules and regulations;
- reviewing and approving all forms of compensation, including executive compensation and service provider compensation as well as any cash-based and equity-based compensation; and
- evaluating, confirming, amending or terminating any compensatory contracts or similar instrument with the executive officers of the Company.

Our compensation committee consists of Mahendra Gupta, Abigail Posner and David Sherman.

Our Board of Directors adopted a written charter for the compensation committee, which is available on our website at www.endicorp.com.

Nominating and Governance Committee

Our nominating and governance committee is responsible for, among other things:

- Identifying, considering and recommending candidates for membership on the Board of Directors including providing assistance with recruiting candidates;
- developing and recommending to the Board of Directors a set of corporate governance principles applicable to our Company;
- overseeing the evaluation of our Board of Directors including director independence; and
- advising on development of policies regarding the Board and recommending structure, size, qualifications, and member characteristics.

Our nominating and corporate governance committee consists of Thomas McDonnell, Abigail Posner and David Sherman.

Our Board of Directors adopted a written charter for the nominating and corporate governance committee, which is available on our website at www.endicorp.com.

Director Nominations Process

With the exception of nominees of the holders of our Class B common stock pursuant to our Amended and Restated Certificate of Incorporation, our nominating and corporate governance committee is responsible for recommending candidates to serve on the Board. In addition, our nominating and corporate governance committee is responsible for recommending candidates to serve on our committees. In considering whether to recommend any particular candidate to serve on the Board or its committees or for inclusion in the Board's slate of recommended director nominees for election at the annual meeting of stockholders, pursuant to the nominating and corporate governance committee charter, the nominating and corporate governance committee may develop and recommend to the Board the desired qualifications, expertise and characteristics of Board members.

We consider diversity a meaningful factor in identifying director nominees, but do not have a formal diversity policy. The Board evaluates each individual in the context of the Board as a whole, with the objective of assembling a group that has the necessary tools to perform its oversight function effectively in light of the Company's business and structure. In determining whether to recommend a director for re-election, the nominating and corporate governance committee may also consider potential conflicts of interest with the candidates, other personal and professional pursuits, the director's past attendance at meetings and participation in and contributions to the activities of the Board.

In identifying prospective director candidates, the nominating and corporate governance committee may seek referrals from other members of the Board or stockholders. The nominating and corporate governance committee also may, but need not, retain a third-party search firm in order to assist it in identifying candidates to serve as directors of the Company. The nominating and corporate governance committee uses the same criteria for evaluating candidates regardless of the source of the referral or recommendation. When considering director candidates, the nominating and corporate governance committee seeks individuals with backgrounds and qualities that, when combined with those of our incumbent directors, provide a blend of skills and experience to further enhance the Board's effectiveness.

Our Board does not recall an instance in which a stockholder (other than Cohanzyck pursuant to its rights) has recommended a director candidate; however, the nominating and corporate governance committee will consider potential nominees submitted by stockholders in accordance with the procedures set forth in our Amended and Restated Bylaws and other processes adopted from time to time for submission of director nominees by stockholders, and such candidates will be considered and evaluated under the same criteria described above. Stockholders wishing to propose a candidate for consideration may do so by submitting the above information to the attention of the Corporate Secretary, ENDI Corp., 2400 Old Brick Rd., Suite 115, Glen Allen, VA 23060.

Code of Ethics and Code of Conduct

We adopted a written code of business conduct and ethics that applies to all of our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions. A copy of the code is posted on our website at www.endicorp.com. Disclosure regarding any amendments to, or waivers from, provisions of the code of business conduct and ethics that apply to our directors, principal executive and financial officers will be posted on our website at www.endicorp.com or will be included in a Current Report on Form 8-K, which we will file within four business days following the date of the amendment or waiver.

Anti-hedging

As part of our Insider Trading Policy, all of our officers, directors, employees and consultants and family members or others sharing a household with any of the foregoing or that may have access to material non-public information regarding our Company are prohibited from engaging in or advising others to engage in any trades based on material non-public information, as well as any trades during certain prohibited times such as during the "blackout period" designated by our Chief Financial Officer in respect of our securities. Our Insider Trading Policy also prohibits short sales of our securities, any hedging or monetization transactions involving our securities and in transactions involving puts, calls or other derivative securities based on our securities by the relevant Company insiders. Our Insider Trading Policy further prohibits such persons from purchasing our securities on margin, borrowing against any account in which our securities are held or pledging our securities as collateral for a loan unless pre-cleared by our Chief Financial Officer. As of December 31, 2023, none of our directors or executive officers had pledged any shares of our common stock.

Director Attendance at Annual Meetings

Our policy is that directors should attend our annual meetings of stockholders.

Stockholder Communications with our Board

Stockholders and interested parties who wish to communicate with our Board of Directors or a specific member of our Board of Directors may do so by writing to ENDI Corp., 2400 Old Brick Rd., Suite 115, Glen Allen, VA 23060, Attention: Secretary.

All communications addressed to the attention of our Secretary will be reviewed by our Secretary and provided to the members of the Board of Directors unless such communications are unsolicited items, sales materials and other routine items and items unrelated to the duties and responsibilities of the Board of Directors.

Non-Employee Director Compensation

The following table presents the total compensation for each person who served as an independent, non-employee member of our Board of Directors and received compensation for such service during the fiscal year ended December 31, 2023. Other than as set forth in the table and described more fully below, we did not pay any compensation, make any equity awards or non-equity awards to, or pay any other compensation to any of the non-employee members of our Board of Directors in 2023. Directors are reimbursed for out-of-pocket expenses incurred for reasonable travel and other business expenses in connection with their service as directors.

Name	Fees earned or paid in cash (\$)	Stock Awards	Total (\$)
(a)	(b) (1)	(c) (2)	(h)
Thomas McDonnell	\$ 28,333	\$ 22,838	\$ 51,171
Abigail Posner	\$ 28,333	\$ 22,838	\$ 51,171
Mahendra Gupta	\$ 28,333	\$ 22,838	\$ 51,171

(1) The amounts in this column for Thomas McDonnell, Abigail Posner and Mahendra Gupta reflect cash retainer payments received during 2023 for services as non-employee directors from January 2023 through the end of their current terms in May 2024.

(2) The amounts in this column for Thomas McDonnell, Abigail Posner and Mahendra Gupta reflect equity awards earned for services as non-employee directors from January 2023 through the end of their current terms in May 2024. These awards were granted in the form of restricted stock units and vested immediately. Other than these restricted stock awards, our non-employee directors had no other outstanding equity grants. These amounts represent the dollar amounts of the aggregate grant date value, computed in accordance with FASB ASC Topic 718, Stock Compensation, of the RSUs and stock options granted to the directors during fiscal year 2023. Generally, the grant date fair value is the amount that we would expense in our financial statements over the award’s vesting schedule. For additional information regarding the assumptions made in calculating these amounts, see Note 2 to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K under “Stock Compensation Expense”.

Non-Employee Director Compensation Policy

We adopted a director compensation policy on January 12, 2023 (the “Director Compensation Policy”). Beginning with calendar year 2023, independent directors are entitled to receive \$20,000 cash compensation per year (measured, for these purposes, from shareholder meeting to shareholder meeting) for their service on the Board of Directors and an equity award in the form of 5,250 restricted stock units pursuant to the Director Compensation Policy, which vest immediately upon grant and are delivered no later than March 15 of the following fiscal year. The total grant date fair value of these equity grants as determined in accordance with FASB ASC Topic 718 was \$68,513. All directors receive reimbursement for expenses for reasonable travel expenses and other business expenses to attend board and committee meetings.

ITEM 11. EXECUTIVE COMPENSATION

Summary Compensation Table

The following table sets forth the compensation paid or accrued during the fiscal years ended December 31, 2023 and 2022 to our principal executive officer, our principal financial officer, and one additional officer (each, a “Named Executive Officer”):

- David Sherman, Chief Executive Officer and Director;
- Alea Kleinhammer, Chief Financial Officer; and
- Jessica Greer, Secretary.

Name and Principal Position (named executive officers)	Year	Salary (\$)	Bonus (\$)	Stock Awards (\$)	Option Awards (\$)	Non-Equity Incentive Plan Compensation	All Other Compensation (\$)	Total (\$)
(a)	(b) (1)	(c) (2)	(d) (3)	(e) (4)	(f) (4)	(g) (4)	(h) (5)	(i)
David Sherman, Chief Executive Officer and Director	2023	\$ 400,000	-	-	-	-	-	\$ 400,000
	2022	\$ 154,839	-	-	-	-	-	\$ 154,839
Alea Kleinhammer, Chief Financial Officer	2023	\$ 175,000	\$ 75,000	\$ 197,264	-	-	-	\$ 447,264
	2022	\$ 169,812	\$ 111,500	-	-	-	-	\$ 281,312
Jessica Greer, Secretary	2023	\$ 150,000	-	\$ 39,455	-	-	-	\$ 189,455
	2022	\$ 169,812	\$ 106,500	-	-	-	-	\$ 276,312
Steven Kiel, Former Chief Executive Officer and Director of Enterprise Diversified Inc.	2023	-	-	-	-	-	-	-
	2022	\$ 22,500	-	-	-	-	\$ 51,000	\$ 73,500

(1) In respect to the fiscal year that ended on December 31, 2022, all compensation set forth above in the summary compensation table is the aggregate total compensation received by the named executive officers prior to and following the Business Combination. Notwithstanding the foregoing, David Sherman became the Company’s principal executive officer following the Business Combination, and as a result, all compensation received by Mr. Sherman was for services to the Company following the closing of the Business Combination. Mr. Sherman did not receive any compensation from the Company or Enterprise Diversified, Inc. prior to the Business Combination. Steven Kiel, although he held the title of Chief Executive Officer and principal executive officer, was not an employee of Enterprise Diversified Inc., and serviced Enterprise Diversified Inc. as Chairman and director of the board of directors.

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- (2) Alea Kleinhammer and Jessica Greer received compensation for the period in 2022 occurring prior to the closing of the Business Combination providing services to Enterprise Diversified Inc., and following the Business Combination as employees of the Company. Ms. Kleinhammer received \$89,247 of salary compensation for services provided to Enterprise Diversified Inc. prior to the Business Combination. Following the closing of the Business Combination, Ms. Kleinhammer received \$58,065 of salary compensation for services provided to the Company for the remainder 2022. Ms. Greer received \$89,247 of salary compensation for services provided to Enterprise Diversified Inc. prior to the Business Combination. Following the closing of the Business Combination, Ms. Greer received \$58,065 of salary compensation for services provided to the Company for the remainder 2022.
- (3) The dollar amounts set forth in column (d) represent payments of discretionary bonuses for performance during the applicable years as determined by the Chief Executive Officer in consultation with the Company’s compensation committee, as further described below in the section titled “Bonus Arrangements”, and fees earned (which required employment for the duration of the entire fiscal year) related to director related services the named executive officers provided to the Company in respect of fiscal year 2022, bonuses paid to Ms. Kleinhammer and Ms. Greer represented the aggregate total of payments made by Enterprise Diversified, Inc. prior to the Business Combination, and payments by the Company following the Business Combination. Prior to the closing of the Business Combination, Ms. Kleinhammer and Ms. Greer each received a bonus payment in the amount of \$55,000. Following the Business Combination, Ms. Kleinhammer received a bonus payment of \$56,500, and Ms. Greer received a bonus payment of \$51,500 for their services to the Company.
- (4) Includes 45,348 RSUs awarded to Alea Kleinhammer and 9,070 RSUs awarded to Jessica Greer on February 28, 2023 at a fair market value of \$4.35 per share, which shall vest in four equal annual installments with the first installment vesting on January 1, 2025. The RSUs shall be settled by the Company in the year following the year in which the applicable vesting date occurs, but no later than March 15 of such following year. The aggregate grant date fair value provided in the table was computed in accordance with FASB ASC Topic 718. For additional information regarding the assumptions made in calculating these amounts, see Note 2 to the consolidated financial statements included elsewhere in this Annual Report on Form 10-K under “Stock Compensation Expense”.
- (5) Represents the value of services received pursuant to the service-based contract with Arquitos Investment Manager, LP, Arquitos Capital Management, LLC, Arquitos Epicus, LP, and Arquitos Capital Offshore Master, Ltd., which are managed by Steven Kiel, as further discussed in “Services Agreement with Arquitos” in the Section on “Certain Relationships and Related Party Transactions”.

Outstanding Equity Awards at Fiscal Year-End Table

As required by Item 402(p) of Regulation S-K, we are providing the following information regarding outstanding equity awards at fiscal year-end. We note that there were only stock awards and no option awards outstanding at year-end.

NEO	Number of shares or units of stock that have not vested (#) (g)	Market value of shares of units of stock that have not vested (\$) (h)	Equity incentive plan awards: Number of unearned shares, units or other rights that have not vested (#) (i)	Equity incentive plan awards: Market or payout value of unearned shares, units or other rights that have not vested (\$) (j)
Alea Kleinhammer (1)	-	\$ -	45,348	\$ 197,264
Jessica Greer (2)	-	\$ -	9,070	39,455

- (1) Includes 45,348 RSUs awarded to Alea Kleinhammer on February 28, 2023 at a fair market value of \$4.35 per share, which shall vest in four equal annual installments with the first installment vesting on January 1, 2025. The RSUs shall be settled by the Company in the year following the year in which the applicable vesting date occurs, but no later than March 15 of such following year. The aggregate grant date fair value provided in the table was computed in accordance with FASB ASC Topic 718. The aggregate market value of these RSUs as of the year ended December 31, 2023 totals \$182,299.
- (2) Includes 9,070 RSUs awarded to Jessica Greer on February 28, 2023 at a fair market value of \$4.35 per share, which shall vest in four equal annual installments with the first installment vesting on January 1, 2025. The RSUs shall be settled by the Company in the year following the year in which the applicable vesting date occurs, but no later than March 15 of such following year. The aggregate grant date fair value provided in the table was computed in accordance with FASB ASC Topic 718. The aggregate market value of these RSUs as of the year ended December 31, 2023 totals \$36,461.

Employment Agreements

David Sherman Employment Agreement

On June 3, 2022, CrossingBridge, a subsidiary of our Company, entered into an amended and restated employment agreement (the “Sherman Employment Agreement”) with David Sherman, which became effective immediately prior to the closing of the Business Combination (the “Effective Date”), pursuant to which Mr. Sherman serves as Chief Executive Officer of the Company and President of CrossingBridge. The term of the Sherman Employment Agreement is five years from the Effective Date, unless terminated sooner pursuant to the terms thereof. Pursuant to the Sherman Employment Agreement, Mr. Sherman shall receive a base salary of \$400,000 per year, is eligible to receive a discretionary bonus award each year, and eligible to receive certain other benefits. Pursuant to the Sherman Employment Agreement, CrossingBridge may terminate Mr. Sherman’s employment for Cause (as defined in the Sherman Employment Agreement), in which case Mr. Sherman shall be entitled to (i) the payment of any accrued but unpaid base salary through the date of termination, (ii) unreimbursed expenses through the date of termination and (iii) all vested and nonforfeitable compensation and benefits. CrossingBridge may also terminate Mr. Sherman’s employment for any reason other than for Cause, for Permanent Disability (as defined in the Sherman Employment Agreement) or upon his death, in which case Mr. Sherman shall receive (i) his base salary during the Payment Obligation Period (as defined herein), (ii) accrued but unpaid base salary through the date of termination, (iii) unreimbursed expenses through the date of termination, (iv) all vested and nonforfeitable compensation and benefits, and (v) during the COBRA Coverage Period (as defined in the Sherman Employment Agreement), reimbursement for premiums for COBRA coverage provided that Mr. Sherman elects and is eligible for such coverage and he timely executes the General Release (as defined Sherman Employment Agreement). Notwithstanding the foregoing, if CrossingBridge terminates Mr. Sherman’s employment without Cause and the decision to terminate Mr. Sherman’s employment was made by a decision of the Board without the approval of board members elected pursuant to the rights of the Principal Stockholder as set forth in the Stockholder Agreement entered into in connection with the closing of the Business Combination and/or the rights of the holders of the Company’s Class B Common Stock as set forth in the Company’s Amended and Restated Certificate of Incorporation, then in addition to other amounts due to Mr. Sherman, he shall be entitled to a lump sum payment equal to 2.5x his then annual base salary. In the event CrossingBridge terminates Mr. Sherman’s employment for Permanent Disability, Mr. Sherman shall receive (i) his base salary during the Payment Obligation Period, provided that Mr. Sherman timely executes the General Release, (ii) accrued but unpaid base salary through the date of termination, (iii) accrued but unreimbursed expenses and (iv) all other vested and nonforfeitable compensation and benefits. If Mr. Sherman’s employment is terminated for death, Mr. Sherman shall receive (i) any accrued but unpaid base salary through the date of his death, (ii) unreimbursed expenses incurred through the date of death and (iii) all vested and nonforfeitable compensation and benefits.

Mr. Sherman may terminate his employment for Good Reason (as defined in the Sherman Employment Agreement), in which case he shall be entitled to (i) payment of his base salary for a period commencing on the date of termination and ending six months thereafter (the “Payment Obligation Period”) provided that Mr. Sherman, among other things, timely executes a general release of claims in favor of CrossingBridge and the Company (the “General Release”), (ii) accrued but unpaid base salary through the date of termination, (iii) for the period commencing on the date of Mr. Sherman’s termination and ending at the end of the Payment Obligation Period or the date when COBRA continuation coverage has expired, whichever is earlier, monthly reimbursement of premiums for COBRA coverage, provided that Mr. Sherman elects and is eligible for such coverage and he timely executes the General Release, (iv) unreimbursed expenses through the date of termination and (v) all vested and nonforfeitable compensation and benefits. Notwithstanding the foregoing, if Mr. Sherman terminates his employment for Good Reason and the decision to reduce his base salary was made by a decision of the Board without the approval of board members elected pursuant to the rights of the Principal Stockholder as set forth in the Stockholder Agreement and/or the rights of the holders of the Class B Common Stock as set forth in the Company’s Amended and Restated Certificate of Incorporation, then in addition to other amounts due to Mr. Sherman, he shall be entitled to a lump sum payment equal to 2.5x his then annual base salary. Mr. Sherman may also terminate his employment for any reason other than Good Reason in which case he shall provide CrossingBridge within 30 days advance notice and shall be entitled to (i) payment of any accrued but unpaid base salary through the date of termination, (ii) unreimbursed expenses incurred through the date of termination and (iii) and all other vested and nonforfeitable compensation and benefits. The Sherman Employment Agreement also contains covenants prohibiting Mr. Sherman from disclosing confidential information with respect to the Company.

Alea Kleinhammer Employment Agreement

Enterprise Diversified, Inc. entered into an employment agreement with Alea Kleinhammer, our Chief Financial Officer, on December 2, 2018, effective as of October 5, 2018 (the “Kleinhammer Employment Agreement”). Capitalized terms used below but not otherwise defined have the meanings given to such terms in the Kleinhammer Employment Agreement. Under the Kleinhammer Employment Agreement, the Kleinhammer Employment Agreement can assumed by a successor entity in connection to a corporate transaction of Enterprise Diversified Inc., and as a result of the Business Combination, the Kleinhammer Employment Agreement was assumed by the Company and continues in full force and effect. Pursuant to the Kleinhammer Employment Agreement, Ms. Kleinhammer received an initial annualized salary of \$120,000, which has since been increased to \$200,000. The Kleinhammer Employment Agreement further provides for an incentive bonus so long as she remains employed by the Company through the last day of each calendar year. The Kleinhammer Employment Agreement’s initial term ended on December 31, 2019 (the “Initial Termination Date”) and automatically renews for one-year terms beginning on the anniversary of the Initial Termination Date, terminable upon a minimum of thirty days’ prior written notice to Ms. Kleinhammer of our intent not to renew.

If we terminate Ms. Kleinhammer’s employment without Cause (as such term is defined in the Kleinhammer Employment Agreement), she would receive: (i) continuation of her then-current base salary for 12 months, payable in accordance with our normal payroll practices; (ii) any earned but unpaid Incentive Bonus amount for the immediately preceding calendar year; (iii) any amounts accrued and payable under any benefit plans; and (iv) any amounts payable for unreimbursed business expenses incurred prior to the termination date. If we terminate Ms. Kleinhammer’s employment with Cause or Ms. Kleinhammer resigns, she would be entitled only to payment of her then-current salary through the termination date, payable in accordance with our regular payroll practices, and the amounts of any unreimbursed business expenses incurred prior to the termination date. If Ms. Kleinhammer’s employment is terminated due to her death or disability, she or her estate, as applicable, would be entitled only to (i) payment of her then-current salary for three months, payable in accordance with our regular payroll practices, (ii) any earned but unpaid Incentive Bonus (as such term is defined in the Kleinhammer Employment Agreement) amount for the immediately preceding calendar year; (iii) any amounts accrued and payable under any benefit plans; and (iv) any amounts payable for unreimbursed business expenses incurred prior to the termination date.

Equity Grant Practices

We adopted the Company’s 2022 Omnibus Equity Incentive Plan dated December 19, 2022, which was approved by our stockholders at the 2023 Annual Meeting. Pursuant to the 2022 Omnibus Equity Incentive Plan, we can grant stock options, stock appreciation rights, restricted stock, restricted stock units, deferred stock units, annual or long-term performance awards or other stock-based awards. As further discussed below in the section on Non-Employee Director Compensation, beginning in calendar year 2023, each non-employee director will be entitled to receive an equity award in the form of restricted stock units of the Company’s common stock, which will be granted before March 15 of each calendar year, and which will be fully vested upon grant.

Bonus Arrangements

Pursuant to the terms of the executive employment agreements described above, the Company, through the Chief Executive Officer in consultation with the compensation committee, has the discretion to determine the amounts of the annual incentive bonus payments which executives may receive.

401(k) Plan and other Employee Benefit Plans

The Company maintains a defined contribution employee retirement plan, or 401(k) plan, for its eligible employees. The 401(k) plan is intended to qualify as a tax-qualified plan under Section 401(k) of the Code so that contributions to the 401(k) plan, and income earned on such contributions, are not taxable to participants until withdrawn or distributed from the 401(k) plan. Eligible employees participating under the 401(k) plan may contribute up to the annual limits set by Internal Revenue Service regulations. No employer contributions were made by the Company under the 401(k) plan during the years ended on December 31, 2023 and 2022.

Our executive officers participate in all Company employee benefit plans generally available to all salaried employees of the Company and there are no employee benefit plans that discriminate in scope, terms or operation, in favor of the executive officers.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The following table sets forth certain information regarding beneficial ownership of shares of our common stock as of March 25, 2023 by (i) each person known to beneficially own more than 5% of our outstanding common stock, (ii) each of our directors and director nominees, (iii) each of our named executive officers and (iv) all of our directors and executive officers as a group.

The percentage ownership information is based on 5,468,133 shares of Class A common stock and 1,800,000 shares of Class B common stock outstanding as of March 25, 2023. Information with respect to beneficial ownership has been furnished by each director or director nominee, officer or beneficial owner of more than 5% of our common stock. We have determined beneficial ownership in accordance with the rules of the SEC. These rules generally attribute beneficial ownership of securities to persons who possess sole or shared voting power or investment power with respect to those securities. In addition, the rules attribute beneficial ownership of securities as of a particular date to persons who hold options or warrants to purchase shares of common stock and that are exercisable within 60 days of such date. These shares are deemed to be outstanding and beneficially owned by the person holding those options or warrants for the purpose of computing the percentage ownership of that person, but they are not treated as outstanding for the purpose of computing the percentage ownership of any other person.

Except as otherwise indicated, the persons or entities named in the table below have sole voting and investment power with respect to all shares beneficially owned by them, subject to community property laws, where applicable.

Except as otherwise noted below, the address for each person or entity listed in the table is c/o ENDI Corp., 2400 Old Brick Rd., Suite 115, Glen Allen, VA 23060.

Name of Beneficial Owner	Shares of Common Stock Beneficially Owned				% of Total Voting Power (1)
	Class A		Class B		
	Shares	%	Shares	%	
Directors and Executive Officer:					
David Sherman	3,426,000(2)	49.48%	1,278,000(3)	71.00%	46.01%(4)
Steven Kiel	754,015(5)	13.79%	-	-	10.37%
Thomas McDonnell	65,250	1.19%	-	-	*
Abigail Posner	5,250	-	-	-	-
Mahendra Gupta	15,250	*	-	-	*
Alea Kleinhammer	10,029(6)	*	-	-	*
Jessica Greer	9,379(7)	*	-	-	*
Directors and Executive Officers as a group (7 persons)	4,285,173	61.89%	1,278,000	71.00%	57.48%
5% or Greater Stockholders:					
Cohanzick Management, LLC (8)	4,450,000(9)	59.19%	1,800,000	100.00%	59.19%(10)
The David K. Sherman 1997 Family Trust (11)	712,000(12)	12.28%	288,000(13)	16.00%	9.74%(14)
Robert Davidow (11)	712,000(12)	12.28%	288,000(13)	16.00%	9.74%(14)
Arquitos Capital Offshore Master, Ltd. (15)	683,309	12.50%	-	-	9.40%

* Indicates beneficial ownership of less than 1%.

(1) Percentage of total voting power represents voting power with respect to all of our Class A common stock and Class B common stock, as a single class. Holders of our Class A common stock and Class B common stock are entitled to one vote per share.

(2) Represents (i) 1,704,000 shares of Class A common stock held by Cohanzick Management, LLC, (ii) 20,000 shares of Class A common stock held by Carole Levinson Blueweiss 2012 Trust (UAD 11/28/12), (iii) 46,500 shares of Class A common stock held by Cohanzick Offshore Advisors, LP, (iv) 200,000 shares of Class A common stock held by Cohanzick Absolute Return Master Fund, Ltd., (v) 1,278,000 shares of Class A common stock issuable upon exercise of a Class W-1 Warrant held by Cohanzick Management, LLC and (vi) 177,500 shares of Class A common stock issuable upon exercise of a Class W-2 Warrant held by Cohanzick Management, LLC. David Sherman is the Managing Member of Cohanzick Management, LLC and owns 75.9764 units (71%) of Cohanzick Management, LLC. David Sherman is the Trustee of Carole Levinson Blueweiss 2012 Trust (UAD 11/28/12). Cohanzick Offshore Management, LLC is the General Partner for Cohanzick Offshore Advisors, LP, and David Sherman is the Managing Member of Cohanzick Offshore Management, LLC. Cohanzick Absolute Return Partners, LP is the General Partner to Cohanzick Absolute Return Master Fund, Ltd, Cohanzick Capital, LP is the General Partner to Cohanzick Absolute Return Partners, LP, Sunnyside, LLC is the General Partner to Cohanzick Capital, LP and David Sherman is the Managing Member of Sunnyside, LLC.

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- (3) Represents shares of Class B common stock held by Cohanzick Management, LLC. David Sherman is the Managing Member of Cohanzick Management, LLC and owns 75.9764 units (71%) of Cohanzick Management, LLC.
- (4) Outstanding shares of the Class B common stock shall be redeemed by the Company on a one-for-one basis for each share of the Company's Class A common stock issued upon the exercise of any Class W-1 Warrant. As such, David Sherman may not simultaneously vote both the Issuer's Class B common stock and the shares of Class A Common Stock underlying the Class W-1 Warrant at any given time. Percentage of total voting power assumes David Sherman votes shares of his Class B common stock and not his Class W-1 Warrant.
- (5) Represents (i) 70,706 shares of Class A common stock held by Steven Kiel and (ii) 683,309 shares of Class A common stock held by Arquitos Capital Offshore Master, Ltd. (the "Arquitos Fund"). Arquitos Capital Management LLC acts in the capacity as general partner to the Arquitos Fund. Mr. Kiel is the Managing Member of Arquitos Capital Management LLC. Accordingly, Mr. Kiel could be deemed to have indirect beneficial ownership of such shares.
- (6) Excludes 45,348 RSUs which shall vest in four equal annual installments with the first installment vesting on January 1, 2025. The RSUs shall be settled by the Company in the year following the year in which the applicable vesting date occurs, but no later than March 15 of such following year.
- (7) Excludes 9,070 RSUs which shall vest in four equal annual installments with the first installment vesting on January 1, 2025. The RSUs shall be settled by the Company in the year following the year in which the applicable vesting date occurs, but no later than March 15 of such following year.
- (8) The units of Cohanzick Management, LLC are owned as follows: David Sherman owns 75.9764 units (71%); The David K. Sherman 1997 Family Trust owns 17.1524 units (16%); and the balance of the units are owned by certain employees of Cohanzick Management, LLC and other parties. David Sherman is the Managing Member of Cohanzick, LLC and Robert A. Davidow is the Trustee of The David K. Sherman 1997 Family Trust. The address of Cohanzick Management, LLC is 427 Bedford Road, Suite 230, Pleasantville, NY 10570.
- (9) Represents (i) 2,400,000 shares of Class A common stock, (ii) 1,800,000 shares of Class B common stock, (iii) 1,800,000 shares of Class A common stock issuable upon exercise of a Class W-1 Warrant and (iv) 250,000 shares of Class A common stock issuable upon exercise of a Class W-2 Warrant.
- (10) Outstanding shares of the Class B common stock shall be redeemed by the Company on a one-for-one basis for each share of the Company's Class A common stock issued upon the exercise of any Class W-1 Warrant. As such, Cohanzick Management, LLC may not simultaneously vote both the Issuer's Class B common stock and the shares of Class A Common Stock underlying the Class W-1 Warrant at any given time. Percentage of total voting power assumes Cohanzick Management, LLC votes shares of its Class B common stock and not its Class W-1 Warrant.
- (11) Robert A. Davidow is the Trustee of The David K. Sherman 1997 Family Trust.
- (12) Represents (i) 384,000 shares of Class A common stock held by Cohanzick Management, LLC, (ii) 288,000 shares of Class A common stock issuable upon exercise of a Class W-1 Warrant held by Cohanzick Management, LLC and (iii) 40,000 shares of Class A common stock issuable upon exercise of a Class W-2 Warrant held by Cohanzick Management, LLC.
- (13) Represents shares of Class B common stock held by Cohanzick Management, LLC. The David K. Sherman 1997 Family Trust owns 17.1524 units (16%) of Cohanzick Management, LLC.
- (14) Outstanding shares of the Class B common stock shall be redeemed by the Company on a one-for-one basis for each share of the Company's Class A common stock issued upon the exercise of any Class W-1 Warrant. As such, The David K. Sherman 1997 Family Trust may not simultaneously vote both the Issuer's Class B common stock and the shares of Class A Common Stock underlying the Class W-1 Warrant at any given time. Percentage of total voting power assumes The David K. Sherman 1997 Family Trust votes shares of its Class B common stock and not its Class W-1 Warrant.
- (15) Arquitos Capital Management LLC acts in the capacity as general partner to the Arquitos Fund. Mr. Kiel is the Managing Member of Arquitos Capital Management LLC. Accordingly, Mr. Kiel could be deemed to have indirect beneficial ownership of such shares.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The following includes a summary of transactions to which we have been a party, and in which any of our directors, executive officers or, to our knowledge, beneficial owners of more than 5% of our capital stock or any member of the immediate family of any of the foregoing persons had or will have a direct or indirect material interest, other than equity and other compensation, termination, change in control and other arrangements, which are described elsewhere in this proxy statement. We are not otherwise a party to a related party transaction.

CrossingBridge Advisors, LLC***RiverPark Strategic Income Fund Asset Acquisition***

On November 18, 2022, CBA entered into a Purchase and Assignment and Assumption Agreement, as amended on December 28, 2022 (as amended, the “RiverPark Agreement”), with RiverPark Advisors, LLC and Cohanzick, the Company’s majority stockholder and historical sole member of CBA that is majority owned by the Company’s CEO and director, David Sherman, pursuant to which RiverPark Advisors, LLC intended to sell to CBA certain assets and CBA intended to assume certain liabilities, including certain rights and responsibilities under the RiverPark Advisory Agreement (as defined herein) and the RiverPark Expense Limitation Agreement (as defined herein) relating to the provision of investment advisory services for the mutual fund known as RiverPark Strategic Income Fund (the “RiverPark Fund”), subject to certain terms and conditions set forth in the agreement.

Pursuant to the RiverPark Agreement, no consideration was paid upon closing; however, CBA shall pay an amount approximately equal to 50% of RiverPark Fund’s management fees (as set forth in RiverPark Fund’s prospectus) to RiverPark (the prior adviser) and Cohanzick (the prior sub-adviser) for a period of three years after closing, and pay an amount approximately equal to 20% of the RiverPark Fund’s management fees in the fourth and fifth years after closing as set forth in the RiverPark Agreement. Notwithstanding the foregoing, certain of the amounts payable based on the RiverPark Fund’s management fees pursuant to the RiverPark Agreement during the first three years after the closing shall be capped such that they are less than \$1.3 million in the aggregate.

In connection with the RiverPark Agreement, Cohanzick and CBA entered into an agreement which prohibits Cohanzick from competing with a substantially similar strategic income strategy as the RiverPark Fund as an adviser or sub-adviser to a fund registered under the 1940 Act or any Undertakings for the Collective Investment in Transferable Securities (“UCITS”) products.

During the year ended December 31, 2023, payments made by CBA to Cohanzick in accordance with the RiverPark Agreement totaled \$219,972. There were no comparable payments made during the year ended December 31, 2022.

Historical Shared Expenses Prior to Consummation of the Mergers

The Company, through CrossingBridge, and Cohanzick, shared certain staff, office facilities, and administrative services. The parties involved had agreed to allocate these expenses based on the AUM of each party for activity occurring prior to the consummation of the Mergers. These allocated expenses are reported under the CrossingBridge operations segment in the accompanying consolidated statements of operations in the categories for which the utilization of services relates. A summary of the expenses allocated from Cohanzick to CBA for the year ended December 31, 2022 is noted below. There is no comparable activity for the year ended December 31, 2023, because Post-Merger there were no CBA expenses allocated in this manner.

Cohanzick Management Expense Allocation	Year Ended December 31,	
	2023	2022
Employee compensation and benefit expenses allocated	\$ -	\$ 284,850
Owner compensation and benefit expenses allocated	-	612,387
Other allocated expenses	-	269,830
Total allocated expenses	\$ -	\$ 1,167,067

There was no due to affiliate balance between CBA and Cohanzick reported on the Company’s consolidated balance sheets as of the years ended December 31, 2023 and 2022. Any due to affiliate balance is due 13 months after the calendar year-end upon 60 days’ written notice. If no notice is given, the date payment is due would extend for another 12 months with 0% interest. Repayments made during the year ended December 31, 2022 by CBA to Cohanzick, for allocated expenses recorded during the year ended December 31, 2021, totaled \$3,646,038.

Services Agreement with Cohanzick

In connection with the closing of the Mergers, CrossingBridge entered into a Services Agreement (the “Services Agreement”) with Cohanzick pursuant to which CrossingBridge will make available to Cohanzick certain of its employees to provide investment advisory, portfolio management and other services to Cohanzick and, through Cohanzick, to Cohanzick’s clients. Any such individuals will be subject to the oversight and control of Cohanzick, and any services so provided to Cohanzick or a client of Cohanzick will be provided by such CBA employees in the capacity of a supervised person of Cohanzick. Cohanzick additionally may use the systems of CBA or its affiliates for its daily operations; provided that appropriate policies, procedures, and other safeguards are established to assure that (a) the books and records of each of CBA and Cohanzick are created and maintained in a manner so as to be clearly separate and distinct from those of the other person and the clients of such person, and (b) confidential client and/or other material non-public information relating to the investment advisory activities of CBA or Cohanzick, as applicable, or other proprietary information regarding either such person or its clients, is safeguarded and maintained for the benefit of such person. As consideration for its services, Cohanzick will pay CBA a quarterly fee equal to 0.05% per annum of the monthly weighted average AUM during such quarter with respect to all clients for which Cohanzick has full investment discretion. Cohanzick and CrossingBridge will also split the payment of certain costs of other systems which use is shared between Cohanzick and CrossingBridge. The initial term of the agreement was one year from the Closing Date. The Services Agreement shall continue until terminated pursuant to its terms. Specifically, after August 11, 2023, either party may terminate the Services Agreement upon at least 120 days’ prior written notice to the other party. Notwithstanding the foregoing, either party may terminate the Services Agreement at any time upon written notice following a material breach of the Services Agreement by other party that remains uncured for at least 30 days after the other party receives notice of, or otherwise reasonably should have been aware of, the material breach.

During the years ended December 31, 2023 and 2022, CBA reported \$205,074 and \$61,791 of operating expenses pursuant to the Services Agreement with Cohanzick, respectively.

During the years ended December 31, 2023 and 2022, CBA earned \$503,467 and \$246,743 of revenue from the Services Agreement with Cohanzick, respectively. As of December 31, 2023 and 2022, receivables of \$109,659 and \$160,330, respectively, related to the Services Agreement revenue are included in accounts receivable on the accompanying consolidated balance sheets. The Services Agreement receivable amounts recorded as of the year ended December 31, 2023 and 2022, were both collected in full during the subsequent calendar year.

License Agreement between CBA and Cohanzick

Pursuant to the Merger Agreement, the Company, through CBA, and Cohanzick entered into a license agreement. The license agreement provides CBA with the right to use and occupy certain office space originally leased by Cohanzick from a third-party landlord pursuant to a lease agreement dated November 23, 2018. The initial term of the license agreement runs through the first anniversary of the commencement date of the license agreement and will automatically renew for subsequent one-year terms unless otherwise earlier terminated pursuant to the terms thereof. Pursuant to the license agreement, CBA shall pay Cohanzick a fee equal to Licensee’s Share (as defined herein) of the following charges: a monthly base rental and increases in certain taxes and operating expenses. “Licensee’s Share” means for a calendar month that occurs in whole or in part during the term, the fraction, expressed as a percentage, the numerator of which is the number of CBA employees that occupied the licensed premises as of the first business day of such calendar month, and the denominator of which is the number of Cohanzick and CBA employees that occupied the premises as of the first business day of such calendar month, as reasonably determined by Cohanzick.

During the years ended December 31, 2023 and 2022, CBA paid \$68,755 and \$25,533, respectively, of rental expenses, including utilities, per the license agreement with Cohanzick.

Enterprise Diversified, Inc.

Due from Affiliate

Pursuant to the Merger Agreement, Enterprise Diversified agreed to reimburse Cohanzick for certain fees and expenses, comprising primarily of legal and accounting fees incurred as part of the share registration process. These fees were initially recorded and reimbursed for a total of \$594,152 during the year ended December 31, 2022. Upon further analysis by both parties, it was determined that only \$470,329 of these fees were subject to reimbursement in accordance with the Merger Agreement. The initial overpayment of these fees, totaling \$123,823, has been included within the due from affiliate amount on the accompanying consolidated balance sheets as of December 31, 2022. During the year ended December 31, 2023, this overpayment was repaid in full and the corresponding due from affiliate amount was settled.

Willow Oak Asset Management, LLC

Services Agreement with Arquitos

The Company, through Willow Oak, was party to a service-based contract with Arquitos Investment Manager, LP, Arquitos Capital Management, LLC, Arquitos Epicus, LP, and Arquitos Capital Offshore Master, Ltd. (collectively “Arquitos”), which are managed by Steven Kiel, the Company’s director, and earned revenue for certain services provided to Arquitos. In exchange for these services, Steven Kiel, through Arquitos, was contracted to perform certain ongoing consulting services for the benefit of Willow Oak. In addition to the foregoing exchange of services, Willow Oak also earned an annual performance revenue fee share through its contract with Arquitos. As of December 31, 2022, this service contract and revenue fee share have expired. During the year ended December 31, 2022, the Company earned \$24,451 of revenue through this fund management services arrangement. No comparable activity exists for the year ended December 31, 2023.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES**Independent Registered Public Accountant's Fee**

The following table sets forth the aggregate fees billed by Brown Edwards to us (including Enterprise Diversified prior to the closing of the Business Combination) for the fiscal years ended December 31, 2023 and December 31, 2022.

	2023	2022
Audit Fees	\$ 158,714	\$ 126,050
Audit Related Fees	5,000	40,583
Tax Fees	-	-
All Other Fees	-	-
Total	\$ 163,714	\$ 166,633

Audit Fees: The aggregate fees billed during the years ended December 31, 2023 and 2022 was \$108,314 and \$96,800, respectively, for the audit of financial statements and \$50,400 and \$29,250, respectively, for the review of financial statement included in our Quarterly Reports on Form 10-Q.

Audit-Related Fees: Consists of fees for assurance and related services necessitated pursuant to the Business Combination and related to the performance of the audit or review of our financial statements and other SEC filings that are not reported under "Audit Fees" above, all paid to Brown Edwards.

Tax Fees: Tax fees may consist of fees for professional services, including tax compliance performed by Brown Edwards. There were no such fees incurred by the Company in the fiscal years ended December 31, 2023 and 2022.

All Other Fees: Consists of fees billed for all products and services provided that are not included in the fees noted above. No such fees were incurred for the years ended December 31, 2023 and 2022.

Pre-Approval Policies and Procedures

In accordance with the Sarbanes-Oxley Act of 2002, as amended, our audit committee charter requires the audit committee to pre-approve all audit and non-audit services provided by our independent registered public accounting firm. The audit committee may establish pre-approval policies and procedures regarding engagement of the Company's independent registered public accounting firm to render services to the Company, as well as policies that would allow the delegation of pre-approval authority to one or more members of the audit committee. If such authority is delegated, such delegated members of the audit committee must report to the full audit committee at the next audit committee meeting all items pre-approved by such delegated members. In the fiscal years ended December 31, 2023 and 2022 all of the services performed by our independent registered public accounting firm were pre-approved by the audit committee.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

Financial Statements

	Page No.
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Consolidated Balance Sheets – December 31, 2023 and 2022	F-3
Consolidated Statements of Operations – Years Ended December 31, 2023 and 2022	F-4
Consolidated Statements of Changes in Stockholders’ Equity – Years Ended December 31, 2023 and 2022	F-5
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Notes to Consolidated Financial Statements	F-7

*Brown, Edwards & Company, L.L.P., Lynchburg, Virginia (PCAOBID: 423).

Exhibits

Exhibit Number	Exhibit Description
2.1	Agreement and Plan of Merger between Enterprise Diversified, Inc., CrossingBridge Advisors LLC, Cohanzick Management LLC, and Zelda Merger Sub 1, Inc. and Zelda Merger Sub 2, LLC, dated as of December 29, 2021 (incorporated by reference to Annex A to the Registration Statement on Form S-4 filed with the SEC on July 6, 2022)
2.2	Amendment No. 1 to the Merger Agreement, dated June 3, 2022, by and among ENDI Corp., Enterprise Diversified, Inc., Zelda Merger Sub 1, Inc., Zelda Merger Sub 2, LLC, CrossingBridge Advisors, LLC and Cohanzick Management, L.L.C. (incorporated by reference to Enterprise Diversified, Inc.’s Current Report on Form 8-K filed with the SEC on June 8, 2022)
2.3	Amendment No. 2 to the Merger Agreement, dated July 13, 2022, by and among the Company, Enterprise Diversified, Inc., Zelda Merger Sub 1, Inc. and Zelda Merger Sub 2, LLC, CrossingBridge Advisors LLC and Cohanzick Management LLC (incorporated by reference to Enterprise Diversified, Inc.’s Current Report on Form 8-K filed with the SEC on July 15, 2022)
2.4	Amendment No. 3 to Merger Agreement, dated January 12, 2024, by and among the Company, Enterprise Diversified, Inc., CrossingBridge Advisors LLC and Cohanzick Management LLC (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K filed with the SEC on January 12, 2024)
3.1	Amended and Restated Certificate of Incorporation of ENDI Corp. (incorporated by reference to Exhibit 3.1 to the Company’s Current Report on Form 8-K filed with the SEC on August 12, 2022)
3.2	Amended and Restated Bylaws of ENDI Corp. (incorporated by reference to Exhibit 3.2 to the Company’s Current Report on Form 8-K filed with the SEC on August 12, 2022)
4.1*	Description of Registrant’s Securities
4.2	Specimen Stock Certificate evidencing shares of Class A Common Stock (incorporated by reference to Exhibit 4.3 to the Company’s Registration Statement on Form S-4/A filed with the SEC on July 12, 2022)
4.3	Voting Agreement dated August 11, 2022 by and among the Company, Cohanzick Management, LLC, Steven Kiel and Arquitos Capital Offshore Master, Ltd. (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K filed with the SEC on August 12, 2022)
4.4	Stockholder Agreement dated August 11, 2022 by and between the Company and Cohanzick Management, LLC (incorporated by reference to Exhibit 10.2 to the Company’s Current Report on Form 8-K filed with the SEC on August 12, 2022)
4.5	Registration Rights Agreement dated August 11, 2022 by and among Cohanzick Management, LLC and certain holders of the Company’s Securities (incorporated by reference to Exhibit 10.3 to the Company’s Current Report on Form 8-K filed with the SEC on August 12, 2022)
4.6	Amendment to Registration Rights Agreement dated as of August 31, 2022 by and among the Company, Cohanzick Management, LLC and the parties listed on the signature page thereto (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K filed with the SEC on September 1, 2022)
4.7	Second Amendment to Registration Rights Agreement dated as of May 1, 2023 by and among the Company, Cohanzick Management, LLC and the parties listed on the signature page thereto (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K filed with the SEC on May 2, 2023)
4.8	Amendment No. 3 to Registration Rights Agreement dated as of August 1, 2023 by and among the Company, Cohanzick Management, LLC and the parties listed on the signature page thereto (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K filed with the SEC on August 1, 2023)
4.9	Amendment No. 4 to Registration Rights Agreement, dated January 12, 2024, by and among the Company, Cohanzick Management, LLC and the parties listed on the signature page thereto (incorporated by reference to Exhibit 10.2 to the Company’s Current Report on Form 8-K filed with the SEC on January 12, 2024)
4.10	Class W-1 Warrant (incorporated by reference to Exhibit 10.4 to the Company’s Current Report on Form 8-K filed with the SEC on August 12, 2022)
4.11	Class W-2 Warrant (incorporated by reference to Exhibit 10.5 to the Company’s Current Report on Form 8-K filed with the SEC on August 12, 2022)
10.1	Services Agreement dated August 11, 2022 by and between the CrossingBridge Advisors, LLC and Cohanzick Management, LLC (incorporated by reference to Exhibit 10.6 to the Company’s Current Report on Form 8-K filed with the SEC on August 12, 2022)
10.2+	Form of Indemnification Agreement (incorporated by reference to Exhibit 10.7 to the Company’s Current Report on Form 8-K filed with the SEC on August 12, 2022)
10.3+	Amended and Restated Employment Agreement by and between CrossingBridge Advisors, LLC and David Sherman dated June 3, 2022 (incorporated by reference to Exhibit 10.8 to the Company’s Current Report on Form 8-K filed with the SEC on August 12, 2022)
10.4	Form of Securities Purchase Agreement dated August 18, 2022 (incorporated by reference to Exhibit 10.1 to the Company’s Current Report on Form 8-K filed with the SEC on August 18, 2022)
10.5+	ENDI Corp. 2022 Omnibus Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company’s Registration Statement on Form S-8 filed with the SEC on January 18, 2023)
10.6+	Form of Restricted Stock Unit Agreement for Non-Employee Directors under the ENDI Corp. 2022 Omnibus Equity Incentive Plan (incorporated by reference to Exhibit 10.12 to the Company’s Annual Report on Form 10-K filed with the SEC on March 30, 2023)
10.7+	Form of Restricted Stock Unit Agreement under the ENDI Corp. 2022 Omnibus Equity Incentive Plan (incorporated by reference to Exhibit 10.13 to the Company’s Annual Report on Form 10-K filed with the SEC on March 30, 2023)
10.8+	Form of Restricted Stock Award Agreement under the ENDI Corp. 2022 Omnibus Equity Incentive Plan (incorporated by reference to Exhibit 10.14 to the Company’s Annual Report on Form 10-K filed with the SEC on March 30, 2023)
10.9	Purchase and Assignment and Assumption Agreement by and among RiverPark Advisors, LLC, CrossingBridge Advisors, LLC and Cohanzick Management, LLC dated as of November 18, 2022 (incorporated by reference to Exhibit 10.15 to the Company’s Annual Report on Form 10-K filed with the SEC on March 30, 2023)
10.10	Amendment No. 1 to Purchase and Assignment and Assumption Agreement by and among RiverPark Advisors, LLC, CrossingBridge Advisors, LLC and Cohanzick Management, LLC dated as of December 28, 2022 (incorporated by reference to Exhibit 10.16 to the Company’s Annual Report on Form 10-K filed with the SEC on March 30, 2023)
10.11+	Employment Agreement by and between Enterprise Diversified, Inc. and Alea Kleinhammer dated as of December 21, 2018 (incorporated by reference to Exhibit 10.17 to the Company’s Annual Report on Form 10-K filed with the SEC on March 30, 2023)
21.1*	List of Subsidiaries
31.1*	Certification of Principal Executive Officer pursuant to Rule 13a-14(a)/15d-14(a)
31.2*	Certification of Principal Financial Officer pursuant to Rule 13a-14(a)/15d-14(a)
32.1**	Certification of Principal Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, as amended
32.2**	Certification of Principal Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, as amended
101*	Inline XBRL Document Set for the consolidated financial statements and accompanying notes in Part II, Item 8, “Financial Statements” of this Annual Report on Form 10-K
104*	Cover Page Interactive Data File - the cover page from the Registrant’s Annual Report on Form 10-K for the year ended December 31, 2023 is formatted in Inline XBRL

* Filed herewith.

** Furnished herewith.

+ Indicates a management contract or any compensatory plan, contract or arrangement.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) 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.

ENDI Corp.

Date: April 1, 2024

/s/ David Sherman
David Sherman
Chief Executive Officer
(Principal Executive Officer)

Date: April 1, 2024

/s/ Alea Kleinhammer
Alea Kleinhammer
Chief Financial Officer
(Principal Financial and Accounting Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this Annual Report on Form 10-K has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ David Sherman</u> David Sherman	Chief Executive Officer and Director (Principal Executive Officer)	April 1, 2024
<u>/s/ Alea Kleinhammer</u> Alea Kleinhammer	Chief Financial Officer (Principal Financial and Accounting Officer)	April 1, 2024
<u>/s/ Thomas McDonnell</u> Thomas McDonnell	Chairman	April 1, 2024
<u>/s/ Mahendra Gupta</u> Mahendra Gupta	Director	April 1, 2024
<u>/s/ Steven Kiel</u> Steven Kiel	Director	April 1, 2024
<u>/s/ Abigail Posner</u> Abigail Posner	Director	April 1, 2024



REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Board of Directors and Stockholders
ENDI Corp.
Richmond, Virginia

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of ENDI Corp. and subsidiaries (the "Company") as of December 31, 2023 and 2022, and the related consolidated statements of operations, changes in stockholder's equity, and cash flows for each of the years in the two year period ended December 31, 2023, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and the results of its operations and its cash flows for each of the years in the two year period ended December 31, 2023 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Critical Audit Matters (Continued)

Asset Acquisition

Description of the Matter

As described in Note 3 to the consolidated financial statements, on November 18, 2022, CrossingBridge Advisors, LLC (“CBA”) entered into a Purchase and Assignment and Assumption Agreement, as amended on December 28, 2022 (as amended, the “RiverPark Agreement”), with RiverPark Advisors, LLC and Cohanzick Management, LLC (“Cohanzick”), the Company’s majority stockholder and historical sole member of CBA that is majority owned by the Company’s CEO and director, David Sherman, pursuant to which RiverPark Advisors, LLC intended to sell to CBA certain assets and CBA intended to assume certain liabilities, including certain rights and responsibilities under the RiverPark Advisory Agreement and the RiverPark Expense Limitation Agreement, relating to the provision of investment advisory services for the mutual fund known as RiverPark Strategic Income Fund (the “RiverPark Fund”), subject to certain terms and conditions set forth in the agreement.

Pursuant to the RiverPark Agreement, no consideration was paid upon closing; however, CBA shall pay an amount approximately equal to 50% of RiverPark Fund’s management fees to RiverPark (the prior adviser) and Cohanzick (the prior sub-adviser) for a period of three years after closing, and pay an amount approximately equal to 20% of the RiverPark Fund’s management fees in the fourth and fifth years after closing as set forth in the RiverPark Agreement. Notwithstanding the foregoing, certain of the amounts payable based on the RiverPark Fund’s management fees pursuant to the RiverPark Agreement during the first three years after the closing shall be capped such that they are less than \$1.3 million in the aggregate.

How We Addressed the Matter in Our Audit

We identified this as a critical audit matter because of its material impact on the Company’s balance sheet, and the subjectivity involved in management’s judgments with respect to the fair value of the contingent consideration recognized at the time of the acquisition, and the cost of the acquired assets.

The primary procedures we performed to address this critical audit matter included performing substantive testing, including evaluating management’s judgments and assumptions with respect to the fair value of the contingent consideration recognized at the time of the acquisition, and the cost of the acquired assets, which consisted of the following:

- Obtained and read the executed agreements and related documents to gain an understanding of the underlying terms of the completed acquisition, including the identification of related parties.
- Reviewed management’s asset acquisition accounting analysis and methodology, tested the reasonability of the fair value of contingent consideration recognized at the time of the acquisition, and the cost of the acquired assets.
- Obtained the valuation estimates prepared by the Company and challenged management’s conclusions, including the testing of critical inputs, assumptions applied, and valuation models utilized.
- Utilized an auditor engaged specialist to assist with evaluating the fair value of the contingent consideration recorded.
- Evaluated the accuracy and completeness of the disclosures made in the consolidated financial statements.

/s/ Brown, Edwards & Company L.L.P.

We have served as the Company’s auditor since 2019.

Lynchburg, Virginia
April 1, 2024

**ENDI CORP.
and Subsidiaries
CONSOLIDATED BALANCE SHEETS**

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Assets		
Current Assets		
Cash and cash equivalents	\$ 8,983,190	\$ 10,690,398
Investments in securities, at fair value	7,715,075	5,860,688
Accounts receivable, net	1,064,413	744,638
Prepays	160,333	91,473
Note receivable	-	50,000
Due from affiliate	-	123,823
Other current assets	26,889	57,446
Total current assets	<u>17,949,900</u>	<u>17,618,466</u>
Long-term Assets		
Goodwill	737,869	737,869
Intangible assets, net	3,155,290	1,223,926
Property and equipment, net	106,693	-
Investments in private companies, at cost	1,455,266	-
Investment in limited partnership, at net asset value	348,815	-
Investment in private company, equity method	301,154	450,000
Investment in special purpose acquisition company, at cost	250,250	-
Investment in warrants, at fair market value	62,400	-
Deferred tax assets, net	1,149,351	1,441,234
Total long-term assets	<u>7,567,088</u>	<u>3,853,029</u>
Total assets	<u>\$ 25,516,988</u>	<u>\$ 21,471,495</u>
Liabilities and Stockholders' Equity		
Current Liabilities		
Accounts payable	\$ 5,856	\$ 71,306
Accrued compensation	-	23,342
Accrued expenses	305,065	260,185
Deferred revenue	147,039	156,859
Income taxes payable	54,250	-
Earn-out liability, current	732,173	-
Other current liabilities	476	1,110
Total current liabilities	<u>1,244,859</u>	<u>512,802</u>
Long-term Liabilities		
Earn-out liability, net of current portion	695,039	-
Class W-1 Warrant and redeemable Class B Common Stock	464,000	576,000
Total long-term liabilities	<u>1,159,039</u>	<u>576,000</u>
Total liabilities	<u>2,403,898</u>	<u>1,088,802</u>
Stockholders' Equity		
Preferred stock, \$0.0001 par value, 2,000,000 shares authorized; none issued and outstanding	-	-
Class A common stock, \$0.0001 par value, 14,000,000 shares authorized; 5,452,383 shares issued and outstanding	545	545
Additional paid-in capital	20,418,318	20,217,472
Retained earnings	2,694,227	164,676
Total stockholders' equity	<u>23,113,090</u>	<u>20,382,693</u>
Total liabilities and stockholders' equity	<u>\$ 25,516,988</u>	<u>\$ 21,471,495</u>

The accompanying notes are an integral part of these consolidated financial statements.

**ENDI CORP.
and Subsidiaries
CONSOLIDATED STATEMENTS OF OPERATIONS**

	For the years ended December 31,	
	2023	2022
Revenues		
Revenues - CrossingBridge	\$ 8,678,783	\$ 7,271,332
Revenues - Willow Oak	182,970	61,499
Revenues - internet	725,770	305,680
Total revenues	<u>9,587,523</u>	<u>7,638,511</u>
Cost of Revenues		
Cost of revenues - internet	218,269	103,843
Total cost of revenues	<u>218,269</u>	<u>103,843</u>
Gross Profit		
Gross profit - CrossingBridge	8,678,783	7,271,332
Gross profit - Willow Oak	182,970	61,499
Gross profit - internet	507,501	201,837
Total gross profit	<u>9,369,254</u>	<u>7,534,668</u>
Operating Expenses		
Compensation and benefits	4,607,530	3,564,026
Stock compensation expenses	200,846	881,755
Amortization and depreciation	381,870	34,505
Computer expenses	207,857	153,204
Fund distribution, custody, and administrative expenses	350,235	268,444
Insurance	127,348	55,298
Professional fees	1,023,929	567,896
Travel and entertainment	253,455	118,354
Transaction expenses	-	470,329
Other operating expenses	495,737	315,939
Total operating expenses	<u>7,648,807</u>	<u>6,429,750</u>
Income from operations before income taxes	1,720,447	1,104,918
Other Income (Expenses)		
W-1 Warrant mark-to-market	112,000	900,000
Note receivable revaluation	334,400	-
Interest and dividend income	911,471	132,873
Net investment gains	231,478	47,738
Equity method loss	(148,846)	-
Other income (expenses), net	(17,895)	5,378
Total other income	<u>1,422,608</u>	<u>1,085,989</u>
Income tax (expense) benefit	(613,504)	191,678
Net income	<u>\$ 2,529,551</u>	<u>\$ 2,382,585</u>
Net income per share, basic and diluted	\$ 0.46	\$ 0.66
Weighted average number of shares, basic and diluted	5,465,630	3,588,098

The accompanying notes are an integral part of these consolidated financial statements.

ENDI CORP.
and Subsidiaries
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

	Common Stock	Amount	Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity
Balance December 31, 2022	5,452,383	\$ 545	\$ 20,217,472	\$ 164,676	\$ 20,382,693
Net income	-	-	-	5,966	5,966
Stock compensation expense	-	-	81,746	-	81,746
Balance March 31, 2023	5,452,383	545	20,299,218	170,642	20,470,405
Net income	-	-	-	852,874	852,874
Stock compensation expense	-	-	39,700	-	39,700
Balance June 30, 2023	5,452,383	545	20,338,918	1,023,516	21,362,979
Net income	-	-	-	462,442	462,442
Stock compensation expense	-	-	39,700	-	39,700
Balance September 30, 2023	5,452,383	545	20,378,618	1,485,958	21,865,121
Net income	-	-	-	1,208,269	1,208,269
Stock compensation expense	-	-	39,700	-	39,700
Balance December 31, 2023	<u>5,452,383</u>	<u>\$ 545</u>	<u>\$ 20,418,318</u>	<u>\$ 2,694,227</u>	<u>\$ 23,113,090</u>

	Common Stock	Amount	Additional Paid-in Capital	Retained Earnings	Total Stockholders' Equity
Balance December 31, 2021	2,400,000	\$ 240	-	\$ 591,669	\$ 591,909
Net income	-	-	-	761,617	761,617
Balance March 31, 2022	2,400,000	240	-	1,353,286	1,353,526
Net income	-	-	-	762,885	762,885
Balance June 30, 2022	2,400,000	240	-	2,116,171	2,116,411
Net income	-	-	-	319,795	319,795
Distributions	-	-	-	(2,809,578)	(2,809,578)
Stock issued pursuant to Merger Agreement	2,647,383	265	17,161,312	-	17,161,577
Additional stock purchased pursuant to Merger Agreement	405,000	40	2,174,405	-	2,174,445
Stock compensation expense for W-2 Warrant and additional stock purchases	-	-	881,755	-	881,755
Balance September 30, 2022	5,452,383	545	20,217,472	(373,612)	19,844,405
Net income	-	-	-	538,288	538,288
Balance December 31, 2022	<u>5,452,383</u>	<u>\$ 545</u>	<u>\$ 20,217,472</u>	<u>\$ 164,676</u>	<u>\$ 20,382,693</u>

The accompanying notes are an integral part of these consolidated financial statements.

ENDI CORP.
and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years Ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Net income	\$ 2,529,551	\$ 2,382,585
Adjustments to reconcile net income to net cash flows from operating activities:		
Note receivable revaluation	(334,400)	-
Other income from W-1 Warrant mark-to-market	(112,000)	(900,000)
Stock based compensation	200,846	881,755
Amortization and depreciation	381,870	34,505
Deferred tax assets, net	291,883	(191,678)
Equity method loss	148,846	-
Increase in warrants	(62,400)	-
Loss on sales of domain names	19,974	-
(Increase) decrease in:		
Accounts receivable	(319,775)	(198,363)
Prepays	(68,860)	(39,540)
Other current assets	30,557	66,906
Increase (decrease) in:		
Accounts payable	(65,450)	50,800
Accrued compensation	(23,342)	-
Accrued expenses	44,880	(315,022)
Deferred revenue	(9,820)	(46,688)
Income taxes payable	54,250	-
Other current liabilities	(634)	462
Net cash provided by operating activities	<u>2,705,976</u>	<u>1,725,722</u>
Cash flows from investing activities:		
Increase in investments	(1,840,542)	(3,595,599)
Investment in private company	(1,455,266)	(450,000)
Increase in special purpose acquisition company	(250,250)	-
Collection of note receivable	384,400	-
Purchase of RiverPark Strategic Income Fund	(199,988)	-
Investment in limited partnership	(362,660)	-
Purchase of property and equipment	(108,501)	-
Sales of domain names	10,200	-
Cash from Business Combination	-	15,873,598
Net cash (used in) provided by investing activities	<u>(3,822,607)</u>	<u>11,827,999</u>
Cash flows from financing activities:		
Decrease (increase) in due from affiliate	123,823	(123,823)
Earn-outs paid	(714,400)	-
Distributions paid	-	(2,809,578)
Issuance of Class A Common Stock	-	2,174,445
Decrease in due to affiliate	-	(3,377,291)
Net cash used in financing activities	<u>(590,577)</u>	<u>(4,136,247)</u>
Net (decrease) increase in cash	(1,707,208)	9,417,474
Cash and cash equivalents at beginning of the period - January 1	10,690,398	1,272,924
Cash and cash equivalents at end of the period - December 31	<u>\$ 8,983,190</u>	<u>\$ 10,690,398</u>
Non-cash and other supplemental information:		
Cash paid for interest	\$ 1,693	\$ -
Income taxes paid	\$ 250,000	\$ -
Consulting services received in lieu of cash receipts	\$ -	\$ 19,742

The accompanying notes are an integral part of these consolidated financial statements.

**ENDI CORP.
and Subsidiaries
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

NOTE 1. ORGANIZATION

Organization and Lines of Business

ENDI Corp. (“ENDI”) was incorporated in Delaware on December 23, 2021. On August 11, 2022 (the “Closing Date”), the Company (as defined herein) completed its mergers (the “Mergers”) pursuant to that certain Agreement and Plan of Merger dated December 29, 2021 (as amended, the “Merger Agreement”) by and among ENDI, Enterprise Diversified, Inc. (“Enterprise Diversified”), Zelda Merger Sub 1, Inc., Zelda Merger Sub 2, LLC, CrossingBridge Advisors, LLC (“CrossingBridge” or “CBA”) and Cohanzick Management, LLC (“Cohanzick”). As a result of the Mergers, Enterprise Diversified and CrossingBridge merged with wholly-owned subsidiaries of ENDI and now operate as wholly-owned subsidiaries of the Company. The Company is the successor registrant to Enterprise Diversified’s Securities and Exchange Commission (“SEC”) registration effective as of the Closing Date of the Mergers.

The reporting periods covered by the Annual Report on Form 10-K for the year ended December 31, 2023, reflects the standalone business of CrossingBridge prior to the Closing Date of the Mergers and reflects the consolidated business of the Company, including CrossingBridge and Enterprise Diversified, as of and after the Closing Date.

On the Closing Date, Enterprise Diversified and CrossingBridge became wholly-owned subsidiaries of ENDI as a result of the Mergers (collectively with the other transactions described in the Merger Agreement, the “Business Combination”). The Business Combination is accounted for as a reverse acquisition using the acquisition method of accounting in accordance with Accounting Standards Codification (“ASC”) 805, Business Combinations, with CrossingBridge representing the accounting acquiror.

Prior to the Closing Date, the Company operated through a single reportable segment, CrossingBridge operations. Beginning on the Closing Date through the year ended December 31, 2022, the post-Merger period, and continuing through the current year ended December 31, 2023, the Company operated through four reportable segments: CrossingBridge operations, Willow Oak operations, internet operations, and other operations. The management of the Company also continually reviews various business opportunities for the Company, including those in other lines of business.

Unless the context otherwise requires, and when used herein, the “Company,” “ENDI,” “ENDI Corp.,” “we,” “our,” or “us” refers to ENDI Corp. individually, or as the context requires, collectively with its subsidiaries as of and after the Closing Date, and to CrossingBridge for the periods up to the Closing Date, due to the determination that CrossingBridge represents the accounting acquiror.

As previously disclosed on our Current Report on Form 8-K filed on January 12, 2024, we have filed a Form 15 certifying the deregistration of our Class A common stock under Section 12(6) of the Exchange Act and suspension of our duty to file reports under Sections 13 and 15(d) of the Exchange Act.

CrossingBridge Operations

CBA was formed as a limited liability company on December 23, 2016, under the laws of the State of Delaware. CBA derives its revenue and net income from investment advisory services. CBA is a registered investment adviser under the Investment Advisers Act of 1940, as amended (the “Investment Advisers Act”), and it provides investment advisory services to investment companies (including mutual funds and exchange-traded funds (“ETFs”)) registered under the Investment Company Act of 1940, as amended (“1940 Act”), both as an adviser and as a sub-adviser. CBA also manages, under the Universal Investment Ireland UCITS Platform ICAV, an umbrella Irish Collective Asset-management Vehicle with segregated liability between sub-funds authorized pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended from time to time.

As of December 31, 2023, CBA serves as an adviser or manager to its six proprietary products and sub-adviser to two additional products. As of December 31, 2023, the assets under management (“AUM”) for CBA, including advised, managed, and sub-advised funds, were in excess of \$1.8 billion. The investment strategies for CBA include: ultra-short duration, low duration high yield, strategic income, responsible credit, and special purpose acquisition companies (“SPACs”). These strategies primarily employ investment grade and high yield corporate debt, as well as credit opportunities in event-driven securities, post reorganization investments, and stressed and distressed debt.

Willow Oak Operations

Beginning on August 12, 2022, the start of the post-Merger period (“Post-Merger”), the Company operates its Willow Oak operations business through its wholly-owned subsidiaries, Willow Oak Asset Management, LLC (“Willow Oak”), Willow Oak Capital Management, LLC, Willow Oak Asset Management Affiliate Management Services, LLC (“Willow Oak AMS”) and Willow Oak Asset Management Fund Management Services, LLC (“Willow Oak FMS”).

Willow Oak is an asset management platform focused on partnering with independent asset managers throughout various phases of their firm's lifecycle to provide comprehensive operational services that support the growth of their businesses. Through minority ownership stakes and bespoke service-based contracts, Willow Oak offers affiliated managers strategic consulting, operational support, and growth opportunities. Services to date include consulting, investor relations and marketing, accounting and bookkeeping, compliance program monitoring, and business development support. The Company intends to actively expand its Willow Oak platform and services to independent managers across the investing community.

Internet Operations

Beginning Post-Merger, the Company operates its internet operations segment through Sitestar.net, its wholly-owned subsidiary. Sitestar.net is an internet service provider that offers consumer and business-grade internet access, e-mail hosting and storage, wholesale managed modem services, web hosting, third-party software as a reseller, and various ancillary services. Sitestar.net provides services to customers in the United States and Canada. In addition, the Company owns a portfolio of domain names.

Other Operations

Beginning Post-Merger, the Company operates its other operations segment which includes nonrecurring or one-time strategic funding or similar activity and other corporate operations that are not considered to be one of the Company's primary lines of business. Below are the primary activities comprising other operations. Additional investment activity that is not specifically mentioned below is included in the accompanying consolidated financial statements.

Enterprise Diversified, Inc.

On June 12, 2023, through Enterprise Diversified, Inc. ("Enterprise Diversified"), and again on October 31, 2023, we invested \$172,512 and \$190,148 in a commodity-based limited partnership managed by a third-party general partner, respectively. The general partner is entitled to certain management fees and profit allocations and our investment is subject to a two-year lockup from the date of the initial investment. As of the year ended December 31, 2023, this investment is carried at its reported net asset value ("NAV") of \$348,815. During the year ended December 31, 2023, we recognized \$13,845 of net investment losses related to this investment. No comparable activity exists for the year ended December 31, 2022.

On July 14, 2023, through Enterprise Diversified, we invested \$500,000 in a private placement transaction for which we received 500 restricted preferred shares of a private company issuer as well as 100,000 warrants of the issuer's public parent company. Neither the preferred shares nor the warrants are registered or freely tradable and are currently subject to further transfer limitations. The preferred shares have a liquidation preference equal to the fair market value of the consideration paid at issuance, plus accrued and unpaid dividends. All dividends are payable quarterly in arrears. Each warrant entitles the holder to acquire one subordinate voting share of common stock of the issuer's parent. Our investment does not provide a controlling interest in the issuer or the issuer's parent. The investment in the preferred shares is carried at its cost basis of \$500,000 as of December 31, 2023, with dividend income recognized quarterly pursuant to the terms of the restricted preferred shares. The investment in the warrants is carried at the most recent publicly traded price with a 20% marketability discount applied to account for the lack of registration and transfer restrictions on the warrants, which totals \$62,400 as of December 31, 2023. During the year ended December 31, 2023, we recognized \$62,400 of net investment income and \$34,931 of dividend income related to this investment. No comparable activity exists for the year ended December 31, 2022.

On November 17, 2023, through Enterprise Diversified, we invested \$250,250 in a blank check company formed for the purpose of acquiring one or more businesses contemplated pursuant to a registration statement in connection with an initial public offering. We received an aggregate of 25,000 placement units of the corporation, at \$10.00 per unit, for an aggregate purchase price of \$250,000. Each placement unit is currently intended to consist of one ordinary share, par value \$0.0001 per share, of the corporation, and one-half of one redeemable warrant. Each whole warrant is intended to entitle the holder thereof to purchase one ordinary share at a price of \$11.50 per share. Additionally, we received an aggregate of 50,000 ordinary shares at approximately \$0.005 per share, for an aggregate purchase price of \$250.00. As of December 31, 2023, as no initial public offering has been completed, this investment is carried at its cost basis.

eBuild Ventures, LLC

Pursuant to the Merger Agreement, the Company was transferred interests of eBuild Ventures, LLC ("eBuild") on the Closing Date. eBuild acquires, or provides growth equity to, consumer product businesses in the digital or brick and mortar marketplaces.

On September 8, 2022, through eBuild, we made a capital contribution of \$450,000, representing approximately a 10% ownership stake, in a start-up phase private company that operates in the consumer beverage product space. This investment is valued using the equity method, which totals \$301,154 as of December 31, 2023. During the year ended December 31, 2023, the Company reported a loss of \$148,846 through its application of the equity method on eBuild's investment.

On March 16, 2023, through eBuild, we made a conditional shareholder contribution of \$955,266 and were issued approximately a 3% ownership stake in a private company that operates in the consumer products e-commerce space fulfilled by Amazon. This investment was carried at its cost basis of \$955,266 as of December 31, 2023. Subsequent to December 31, 2023, the private company redeemed the contribution in full.

Financing Arrangement - Triad Guaranty, Inc.

In August 2017, Enterprise Diversified entered into an agreement with several independent third parties to provide debtor-in-possession financing to an unaffiliated third party, Triad Guaranty, Inc., through Triad DIP Investors, LLC. Triad Guaranty, Inc. exited bankruptcy in April 2018, and Enterprise Diversified was subsequently issued an amended and restated promissory note. As of December 31, 2022, Enterprise Diversified reported \$50,000 of promissory note receivables, measured at fair value, from Triad DIP Investors, LLC, and 847,847 aggregate shares of Triad Guaranty, Inc. common stock.

On January 9, 2023, Enterprise Diversified was issued a second amended and restated promissory note by Triad DIP Investors, LLC. Amended terms to the promissory note include an increase in the interest rate from 12% to 18% per annum, with unpaid historical accrued interest and future monthly accrued and unpaid interest to be capitalized and added to the then-outstanding principal balance on the last business day of each month. Further, the maturity date of the note was extended from December 31, 2022 to April 30, 2023, with early payoff permitted. Also during the three-month period ended March 31, 2023, Triad notified the Company that it was able to secure a new financing resource that was not previously available. On April 27, 2023, the Company received repayment of the full historical principal balance and accrued interest related to the second amended and restated promissory note receivable, which was greater than the Company's historical recorded carrying amount of \$50,000 as of December 31, 2022. Given these developments, the Company recognized \$334,400 of other income related to the realized gain on the note receivable, which is included in the consolidated statements of operations for the year ended December 31, 2023.

As of December 31, 2023, the Company attributed no value to its shares of Triad Guaranty, Inc. common stock held due to the stocks' general lack of marketability.

Corporate Operations

Corporate operations include any revenue or expenses derived from the Company's corporate office operations, as well as expenses related to public company reporting, the oversight of subsidiaries, and other items that affect the overall Company. Also included under corporate operations is investment activity earned through the reinvestment of corporate cash. Corporate investments are typically short-term, highly liquid investments, including vehicles such as mutual funds, ETFs, commercial paper, and corporate and municipal bonds.

During the year ended December 31, 2022, through Enterprise Diversified under the other operations segment, the Company invested a total of \$4,500,000 among three CrossingBridge mutual funds: the CrossingBridge Responsible Credit Fund, the CrossingBridge Ultra Short Duration Fund, and the CrossingBridge Low Duration High Yield Fund.

During the year ended December 31, 2023, through Enterprise Diversified under the other operations segment, the Company invested \$1,200,000 into CrossingBridge's then newly acquired RiverPark Strategic Income Fund.

The Company also routinely invests in the CrossingBridge Pre-Merger SPAC ETF through its other operations segment as well, which as of December 31, 2023, totaled \$369,837.

There are no liquidity restrictions in connection with these investments and any intercompany revenue and expenses have been eliminated in consolidation.

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Company, its wholly-owned subsidiaries, and those entities in which it otherwise has a controlling financial interest as of and for the year ended December 31, 2023, including: CrossingBridge Advisors, LLC, Bonhoeffer Capital Management, LLC, eBuild Ventures, LLC, Enterprise Diversified, Inc., Sitestar.net, Inc., Willow Oak Asset Management, LLC, Willow Oak Asset Management Affiliate Management Services, LLC, Willow Oak Asset Management Fund Management Services, LLC, and Willow Oak Capital Management, LLC.

All intercompany accounts and transactions have been eliminated in consolidation.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

Following Financial Accounting Standards Board guidance related to the accounting for reverse acquisitions, CrossingBridge's historical carve-out financial statements replaced the Company's (as the successor registrant to Enterprise Diversified) historical financial statements. Accordingly, the capital structure, and per share amounts presented in CrossingBridge's historical carve-out financial statements for the periods prior to the Closing Date were recast to reflect the capital activity in accordance with the Merger Agreement.

The CrossingBridge Advisors, LLC carve-out for activity prior to the Closing Date is part of the Cohanzick financial statements. Prior to the Closing Date of the Mergers, CBA was a wholly-owned subsidiary of Cohanzick. The historical financial carve-out statements of CBA reflect the assets, liabilities, revenue, and expenses directly attributable to CBA, as well as allocations deemed reasonable by management, to present the financial position, statements of operations, statements of changes in stockholders' equity, and statements of cash flows of CBA on a stand-alone basis and do not necessarily reflect the financial position, statements of operations, statements of changes in stockholders' equity, and statements of cash flows of CBA in the future or what they would have been had CBA been a separate, stand-alone entity during the periods presented that include activity prior to the Closing Date.

Use of Estimates

In accordance with GAAP, the preparation of these consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period.

On an ongoing basis, management evaluates its estimates and judgments, including, among other items, those related to fair value of investments, revenue recognition, accrued expenses, financing operations, fair value of goodwill, fixed asset lives and impairment, lease right-of-use assets and impairment, deferred tax assets, liabilities and valuation allowance, other assets, the present value of lease liabilities, and contingencies and litigation. Management bases its estimates and judgments on historical experience and on various other factors that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions. These accounting policies are described in the relevant sections in the notes to the consolidated financial statements.

Concentration of Credit Risk

Financial instruments, which potentially subject the Company to concentrations of credit risk, consist of cash, cash equivalents, accounts receivable, and notes receivable. The Company places its cash with high-quality financial institutions and, at times, exceeds the FDIC and CDIC insurance limit. The Company extends credit based on an evaluation of customers' financial condition, generally without collateral. Exposure to losses on receivables is principally dependent on each customer's financial condition. The Company monitors its exposure for credit losses and maintains allowances for anticipated losses.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Company defines cash equivalents as all highly liquid instruments purchased with a maturity and/or liquidation option of three months or less.

Investments

The Company holds various investments through its other operations segment. Investments are typically short-term, highly liquid investments, including vehicles such as: mutual funds, ETFs, commercial paper, and corporate and municipal bonds. Occasionally, the Company also invests in comparably less liquid, opportunistic investments. Investments held at fair value are remeasured to fair value on a recurring basis. Certain assets held through the other operations segment do not have a readily determinable value as these investments are either not publicly traded, do not have published sales records, or do not routinely make current financial information available. Assets that do not have a readily determinable value are remeasured when additional valuation inputs become observable. See Note 6 for more information.

Accounts Receivable

The Company's CrossingBridge operations segment records receivable amounts for management fee shares earned on a monthly basis. Management fee shares are calculated and collected on a monthly basis. The Company historically has had no collection issues with management fee shares and the overall possibility for non-collection is extremely low. For these reasons, management has determined that it is not necessary to record an allowance against these receivables.

The Company's Willow Oak operations segment records receivable amounts for management fee shares and fund management services revenue earned on a monthly basis. Management fee shares and fund management services fees are calculated and collected on either a monthly or quarterly basis as dictated by the respective partnership agreement. The Company historically has had no collection issues with management fee shares and fund management receivables and the overall possibility for non-collection is extremely low. For these reasons, management has determined that it is not necessary to record an allowance against these receivables.

The Company's Willow Oak operations segment also records receivable amounts for performance fee shares earned on an annual basis. Performance fee shares are dependent upon exceeding specified relative or absolute investment return thresholds, which vary by affiliate relationship, and typically include annual measurement periods. The Company historically has had no collection issues with performance fee shares and the overall possibility for non-collection is extremely low. For these reasons, management has determined that it is not necessary to record an allowance against these receivables.

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The Company grants credit in the form of unsecured accounts receivable to its customers through its internet operations segment. The current expected credit loss methodology is based on management's assessment of the net amount expected to be collected from each customer. Specific customer receivables are considered past due when they are outstanding beyond their contractual terms and are written off from the allowance for credit losses when an account or invoice is individually determined to be uncollectible. The internet operations segment attempts to reduce the risk of non-collection by including a late-payment fee and a manual-processing-payment fee to customer accounts. Receivables more than 90 days past due are no longer included in accounts receivable and are turned over to a collection agency. Accounts receivable more than 30 days are considered past due.

As of December 31, 2023 and December 31, 2022, allowances offsetting gross accounts receivable on the accompanying consolidated balance sheets totaled \$3,498 and \$2,283, respectively. For the years ended December 31, 2023 and 2022, credit losses totaled \$1,669 and \$177, respectively.

Notes Receivable

The Company does not routinely acquire notes receivable in the ordinary course of business, but when a business opportunity arises, a subsidiary may acquire a note if it appears to be favorable to the Company. Notes receivable are recorded at their principal amount and interest is accrued quarterly based on the applicable interest rate. The Company makes an assessment of the ultimate collectability of each note receivable on an annual basis based upon the financial condition of the borrower and adjusts the carrying value of the note receivable as deemed appropriate.

Property and Equipment

Property and equipment are recorded at cost. Expenditures for maintenance and repairs are charged to operations as incurred, while renewals and betterments are capitalized. Gains and losses on disposals are included in the results of operations. Depreciation is computed using the straight-line method based on the estimated useful lives for each of the following asset classifications.

Vehicles (in years)	5
Furniture and fixtures (in years)	5
Equipment (in years)	7

The Company evaluates at each balance sheet date whether events and circumstances have occurred that indicate possible impairment. If there are indications of impairment, then the Company uses estimated future undiscounted cash flows of the related asset or asset grouping over the remaining life in measuring whether the assets are recoverable. In the event such cash flows are not expected to be sufficient to recover the recorded asset values, the assets are written down to their estimated fair value. Property and equipment to be disposed are reported at the lower of carrying amount or fair value of the asset less cost to sell.

Goodwill and Other Intangible Assets

Goodwill is the excess of the purchase price over the fair value of identifiable net assets acquired in business combinations accounted for under the acquisition method of accounting. The Company tests its goodwill annually as of December 31, or more often if events and circumstances indicate that those assets might not be recoverable. As of December 31, 2023 and December 31, 2022, the Company reported \$737,869 of goodwill under the CrossingBridge operations segment. None of the Company's recorded goodwill is tax deductible. The fair values assigned to tangible and intangible assets acquired as part of the Mergers are based on management's estimates and assumptions. As of June 30, 2023, the Company considered the fair values of assets acquired and liabilities assumed to be final and no longer subject to potential adjustments.

Impairment testing of goodwill is required at the reporting-unit level (operating segment or one level below operating segment). The impairment test involves calculating the impairment of goodwill based solely on the excess of the carrying value of the reporting unit over the fair value of the reporting unit. Prior to performing the impairment test, the Company may make a qualitative assessment of the likelihood of goodwill impairment to determine whether a detailed quantitative analysis is required. The Company estimates the fair value of its reporting units using discounted expected future cash flows.

Intangible assets (other than goodwill) consist of customer relationships, trade names, investment management agreements, a non-compete, and domain names held amongst the CrossingBridge, Willow Oak and internet operations segments. When management determines that material intangible assets are acquired in conjunction with the purchase of a business or asset, the Company determines the fair values of the identifiable intangible assets by taking into account internal and external appraisals. Intangible assets determined to have definite lives are amortized over their estimated useful lives. The Company evaluates at each balance sheet date whether events and circumstances have occurred that indicate possible impairment. If there are indications of impairment, then the Company uses estimated future undiscounted cash flows of the related intangible asset or asset grouping over the remaining life in measuring whether the assets are recoverable. In the event such cash flows are not expected to be sufficient to recover the recorded asset values, the assets are written down to their estimated fair value.

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As described in Note 4, during the three-month period ended December 31, 2022, the Company recorded a measurement period adjustment to the preliminary recorded fair value assigned to the value of the Company's acquired intangible assets, specifically the domain names held under the internet operations segment, reducing the preliminarily assessed fair value from \$235,000 to \$175,000, with the decrease in value allocated to the Company's residual amount of goodwill held as of December 31, 2022. This adjustment was the product of an expanded valuation analysis performed by management in December 2022. As noted above, as of June 30, 2023, the Company considered the fair values of assets acquired and liabilities assumed to be final and no longer subject to potential adjustments.

As of the years ended December 31, 2023 and December 31, 2022, the Company reported the following intangible assets, net of amortization and excluding goodwill, under the respective operating segment.

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
CrossingBridge	\$ 2,044,398	\$ -
Willow Oak	492,051	534,195
Internet	618,841	689,731
Intangible assets, net	<u>\$ 3,155,290</u>	<u>\$ 1,223,926</u>

As a result of the Company's impairment testing of goodwill and other intangible assets on December 31, 2023 and 2022, the Company determined that there were no impairment adjustments were necessary.

Amortization expenses on intangible assets during the years ended December 31, 2023 and 2022 totaled \$380,062 and \$31,074, respectively.

Earn-Out Liability

The Company may enter into contingent payment arrangements in connection with the Company's business combinations or asset purchases. In contingent payment arrangements, the Company agrees to pay transaction consideration to the seller based on future performance. The Company estimates the value of future payments of these potential future obligations at the time the business combination or asset purchase is consummated. The liabilities related to contingent payment arrangements are recorded under the earn-out liability line on the consolidated balance sheets.

Contingent payment obligations related to asset purchases, if estimable and probable of payment, are initially recorded at their estimated value. When the contingency is ultimately resolved, any additional contingent consideration issued or issuable over the amount that was initially recognized as a liability is considered an additional cost of the acquisition. These additional costs would then be allocated to the qualifying assets on a relative fair value basis. See Note 5 for more information on the Company's asset acquisition of the RiverPark Strategic Income Fund.

W-1 Warrant and Redeemable Class B Common Stock

Pursuant to the Merger Agreement, the Company issued 1,800,000 Class B Common Shares (as defined in Note 4) that are mandatorily redeemable upon exercise of the W-1 Warrant (as defined in Note 4), which provides the holder the ability to purchase 1,800,000 Class A Common Shares (as defined in Note 4) at certain terms. Management has determined that the W-1 Warrant represents an embedded equity-linked feature within the Class B Common Shares, and therefore is valued in conjunction with the Class B Common Shares. The value of the W-1 Warrant and Class B Common Shares is determined using a Black-Scholes pricing model and is classified as a long-term liability on the consolidated balance sheets. The value is remeasured at each reporting date with the change in value flowing through the consolidated statements of operations for the relevant period under the "mark-to-market" line item. See Note 4 for additional terms of the W-1 Warrant and Class B Common Shares.

Accrued Compensation

Accrued compensation represents performance-based bonuses that have not yet been paid. Bonuses are subjective and are based on numerous factors including, but not limited to, individual performance, the underlying funds' performance, and profitability of the firm, as well as the consideration of future outlook. Accrued bonus amounts can fluctuate due to a future perceived change in any one or more of these factors. Additionally, differences between historical, current, and future personnel allocations could significantly impact the comparability of bonus expenses period over period.

Other Accrued Expenses

Other accrued expenses represent incurred but not-yet-paid expenses from payroll accruals, professional fees, and other accrued taxes.

Leases

The Company records right-of-use assets and lease liabilities arising from both financing and operating leases that contain terms extending longer than one year. The Company does not recognize right-of-use assets or lease liabilities for short-term leases (those with original terms of 12 months or less). In making our determinations, the Company combines lease and non-lease elements of its leases.

Concentration of Revenue

CBA is the adviser to five registered investment companies and manages one sub-fund under the CrossingBridge Family of Funds. The advised funds are the CrossingBridge Low Duration High Yield Fund, CrossingBridge Ultra-Short Duration Fund, RiverPark Strategic Income Fund, CrossingBridge Responsible Credit Fund, and the CrossingBridge Pre-Merger SPAC ETF, and the managed sub-fund is the CrossingBridge Low Duration High Income Fund. The combined AUM for these advised and managed funds was approximately \$1.28 billion and \$614 million as of December 31, 2023 and 2022, respectively. CBA is also the sub-adviser to two 1940 Act registered mutual funds with AUM totaling approximately \$560 million and \$664 million as of December 31, 2023 and 2022, respectively. Finally, CBA also earns revenue through a service agreement with a related party. See Note 3 for more information on the terms of the service agreement.

CBA fee revenues earned from advised and managed funds, sub-advised funds, and service agreements for the years ended December 31, 2023 and 2022 included in the accompanying consolidated statements of operations are detailed below.

CrossingBridge Operations Revenue	Year Ended December 31,	
	2023	2022
Advised fund fee revenue	\$ 6,087,547	\$ 4,283,984
Sub-advised fund fee revenue	2,087,769	2,740,605
Service fee revenue	503,467	246,743
Total fee revenue	\$ 8,678,783	\$ 7,271,332

Total revenue from the CrossingBridge operations was approximately 90.5% and 95.2% of the Company's total revenue for the years ended December 31, 2023 and 2022, respectively. If CBA were to lose a significant amount of AUM, the Company's revenue would also decrease.

Revenue Recognition

CrossingBridge Operations Revenue

Management fee shares earned through the CrossingBridge operations segment are recorded on a monthly basis and are included in revenue on the accompanying consolidated statements of operations. The Company has performed an assessment of its revenue contracts under the CrossingBridge operations segment and has not identified any contract assets or liabilities.

Willow Oak Operations Revenue

Management fee shares and fund management services fees earned through the Willow Oak operations segment are recorded on a monthly basis and are included in revenue on the accompanying consolidated statements of operations. Performance fee shares are dependent upon exceeding specified relative or absolute investment return thresholds, which vary by affiliate relationship, and typically include annual measurement periods. Performance fee shares are recognized only when it is determined that there is no longer potential for significant reversal, such as when a fund's performance exceeds a contractual threshold at the end of a specified measurement period. Consequently, a portion of the performance fee shares recognized may be partially or wholly related to services performed in prior periods.

Fund management services revenue earned through the Willow Oak operations segment is also generally recorded on a monthly basis, which is in line with the timing of when services are provided. Occasionally, fund management services revenue is earned through bespoke consulting contracts performed over the course of multiple periods. In this instance, Willow Oak will only record and collect revenue for services received through the end of each monthly or quarterly period, as appropriate.

The Company has performed an assessment of its revenue contracts under the Willow Oak operations segment and has not identified any contract assets or liabilities.

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A summary of revenue earned through Willow Oak operations during the year ended December 31, 2023 and the Post-Merger period from August 12, 2022 through December 31, 2022 and included on the accompanying consolidated statements of operations are detailed below:

Willow Oak Operations Revenue	Year Ended December 31,	
	2023	2022
Management fee revenue	\$ 64,254	\$ 22,176
Fund management services revenue	109,282	38,740
Performance fee revenue	9,434	583
Total revenue	\$ 182,970	\$ 61,499

Internet Operations Revenue

The Company generates revenue through its internet operations segment from consumer and business-grade internet access, e-mail hosting and storage, wholesale managed modem services, e-mail and web hosting, third-party software as a reseller, and various ancillary services in the United States and Canada. Services include narrow-band (dial-up and ISDN) and broadband services (DSL, fiber-optic, and wireless), web hosting, and additional related services to consumers and businesses. Customers may also subscribe to web hosting plans to include email access and storage. Customer contracts through the internet operations segment can be structured as monthly or annual contracts. Under annual contracts, the subscriber pays a one-time annual fee, which is recognized as revenue ratably over the life of the contract. Under monthly contracts, the subscriber is billed monthly and revenue is recognized for the period to which the service relates. Domain name registration revenue is recognized at the point of registration. Sales of hardware are recognized as revenue upon delivery and acceptance of the product by the customer. Sales are adjusted for any returns or allowances. Management has concluded that the nature of the performance obligation is cyclical with a very low possibility for nonperformance. Contract liabilities (deferred revenue) are recognized in the amount of collections received in advance of services to be performed. No contract assets are recognized or incurred.

Deferred Revenue

Deferred revenue represents collections from customers in advance of internet services to be performed. Revenue is recognized in the period service is provided. Total deferred revenue recorded under the internet operations segment as of December 31, 2023 and December 31, 2022 was \$147,039 and \$156,859, respectively. During the year ended December 31, 2023, \$117,218 of revenue was recognized from prior-year contract liabilities (deferred revenue). The internet operations segment did not have comparable activity for the year ended December 31, 2022.

Stock Compensation Expense

The board of directors of the Company adopted the ENDI Corp. 2022 Omnibus Equity Incentive Plan, dated December 19, 2022 (the "2022 Plan"), which was subsequently approved by the Company's stockholders at the 2023 annual meeting of stockholders held on May 22, 2023 ("2023 Annual Meeting") and became effective on that date. On February 28, 2023, subject to the approval of the 2022 Plan by our stockholders, the Company granted (i) restricted stock units, and (ii) restricted Class A Common Stock. If the 2022 Plan had not been approved by the Company's stockholders at the 2023 Annual Meeting, then the awards granted on February 28, 2023 would have been forfeited. Vested restricted stock unit awards will be settled by the Company in the form of cash or the issuance and delivery of shares of Company Class A Common Stock in the year following the year the awards have become vested, but no later than March 15 of the following year. The Company has elected to ratably recognize the stock compensation expense associated with its outstanding equity awards over each award's respective vesting period. Equity awards are valued on their respective grant date at fair market value, the then current trading value of the Company's Class A Common Stock, and are not subject to future revaluation. On February 28, 2023, the closing stock price of the Company's Class A Common Stock was \$4.35.

The table below further details the awards granted on February 28, 2023, and represents the number of outstanding awards and the relevant income statement impact as of and during the year ended December 31, 2023. There were no comparable equity awards or income statement impacts as of and during the year ended December 31, 2022.

Award Type	Number of Awards Outstanding	Vesting Schedule	Income Statement Impact for the Year Ended December 31, 2023
Restricted stock units	99,766	25% on the second anniversary of January 1, 2023, and thereafter in three equal installments on the subsequent three anniversaries of the initial vesting date, with 100% of the restricted stock vested on the fifth anniversary of the initial vesting, subject to the recipient's continuous employment.	\$ 72,331
Restricted stock units	15,750	Fully vested on the date of grant.	68,513
Restricted stock	82,761	25% on the second anniversary of January 1, 2023, and thereafter in three equal installments on the subsequent three anniversaries of the initial vesting date, with 100% of the restricted stock vested on the fifth anniversary of the initial vesting, subject to the recipient's continuous employment.	60,002
Total outstanding awards	198,277		\$ 200,846

Income Taxes

Income taxes for ENDI Corp. are accounted for under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax benefits or consequences of events that have been included in the consolidated financial statements. Under this method, deferred tax assets and liabilities are determined on the basis of the differences between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of changes in tax laws and rates on the date of enactment, inclusive of the recent tax reform act. ENDI Corp. filed its first tax return for the year ended December 31, 2021, which is open to potential examination by the Internal Revenue Service for three years.

As described further in Note 4, during the three-month period ended December 31, 2022, the Company recorded a measurement period adjustment to the preliminary recorded fair value assigned to the Company's acquired net deferred tax assets on the Closing Date. The fair value of acquired net deferred tax assets was increased from \$0 to \$1,249,556, with the corresponding decrease allocated to the Company's residual amount of goodwill as of December 31, 2022. This adjustment was the product of an expanded analysis under Section 382 of the Internal Revenue Code of 1986, as amended ("Section 382"), that resulted in the recognition of historical net operating losses that were previously offset by a valuation allowance. The Company has determined that a change of control is more likely than not to have occurred on August 11, 2022 as a product of the Business Combination. While the Company's historic net operating losses will be limited to an annual threshold as part of the change of control, the majority of the Company's historical net operating losses do not expire and are expected to be used to offset future taxable income generated by the Company.

As of December 31, 2023 and 2022, the Company reported \$1,149,351 and \$1,441,234 of net deferred tax assets on the consolidated balance sheet, respectively. These net deferred tax assets consist primarily of historic net operating losses that were acquired by the Company as part of the Business Combination, as well as post-closing activity which includes certain deferred tax assets and liabilities that were not previously recognized when CrossingBridge was a nontaxable entity. As of the years ended December 31, 2023 and 2022, the Company has not provided a valuation allowance against its net deferred tax assets. See Note 11 for more information.

In as much as CBA had a single member prior to the Closing Date, it had historically been treated as a disregarded entity for income tax purposes. Consequently, Federal and state income taxes have not been provided for periods ended prior to the Closing Date, as its single member was taxed directly on CBA's earnings. CBA activity subsequent to the Closing Date was consolidated within ENDI Corp.'s tax return that was filed for the year ended December 31, 2022 and was included in the income tax provision for the year ended December 31, 2022. See Note 11 for more information.

During the years ended December 31, 2023 and 2022, the Company reported \$613,504 of income tax expense and \$191,678 of income tax benefit, respectively, as a result of the Company's current tax liabilities and the change in the Company's net deferred tax assets.

Income (Loss) Per Share

Basic income (loss) per share is computed by dividing net income (loss) available to common stockholders by the weighted average number of shares of common stock outstanding during the period. Included in the basic income (loss) per share for year ended December 31, 2023, in addition to the number of shares of common stock outstanding, are 15,750 shares underlying common stock equity incentives awarded pursuant to the Company's 2022 Plan which vested immediately in full upon approval by the Company's stockholders of the 2022 Plan at the 2023 Annual Meeting. These shares represent equity awards in the form of restricted stock units.

In periods of net loss, diluted loss per share is calculated similarly to basic loss per share because the impact of all potentially dilutive common shares is anti-dilutive. In periods of net income, diluted earnings per share is computed using the more dilutive of the "two-class method" or the "treasury method." Dilutive earnings per share under the "two-class method" is calculated by dividing net income available to common stockholders as adjusted for the participating securities, by the weighted-average number of shares outstanding plus the dilutive impact of all other potentially dilutive common shares, consisting primarily of common shares underlying the Class W-1 and W-2 Warrants (as defined in Note 4) issued pursuant to the Merger Agreement. Dilutive earnings per share under the "treasury method" is calculated by dividing net income available to common stockholders by the weighted-average number of shares outstanding plus the dilutive impact of all potentially dilutive common shares, consisting primarily of common shares underlying the Class W-1 and W-2 Warrants issued pursuant to the Merger Agreement.

The number of potentially dilutive shares for the years ended December 31, 2023 and 2022, consisting of the Class W-1 and W-2 Warrants issued pursuant to the Merger Agreement, was 2,050,000. None of the potentially dilutive securities had a dilutive impact during years ended December 31, 2023 and 2022.

Recently Issued Accounting Pronouncements

In June 2016, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2016-13, “Financial Instruments - Credit Losses” (Topic 326). The guidance eliminates the probable initial recognition threshold that was previously required prior to recognizing a credit loss on financial instruments. The credit loss estimate should now reflect an entity’s current estimate of all future expected credit losses. Under the previous guidance, an entity only considered past events and current conditions. In April 2019, the FASB further clarified the scope of the credit losses standard and addressed issues related to accrued interest receivable balances, recoveries, variable interest rates, and prepayments. In May 2019, the FASB issued further guidance to provide entities with an option to irrevocably elect the fair value option applied on an instrument-by-instrument basis for eligible financial instruments. In November 2019, the FASB issued further guidance on expected recoveries for purchased financial assets with credit deterioration, and transition refiled for troubled debt restructurings, disclosures related to accrued interest receivables, and financial assets secured by collateral maintenance provisions. The guidance is effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. Early adoption is permitted for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The adoption of certain amendments of this guidance must be applied on a modified retrospective basis and the adoption of the remaining amendments must be applied on a prospective basis. The Company currently expects that the adoption of this guidance may change the way it assesses the collectability of its receivables and recoverability of other financial instruments. The Company adopted this guidance as of January 1, 2023. The adoption of this guidance did not have a material impact on the Company’s consolidated financial statements.

The Company does not believe that any other recently issued effective standards, or standards issued but not yet effective, if adopted, would have a material effect on the accompanying consolidated financial statements.

NOTE 3. RELATED PARTY TRANSACTIONS

CrossingBridge Advisors, LLC

RiverPark Strategic Income Fund Asset Acquisition

On November 18, 2022, CBA entered into a Purchase and Assignment and Assumption Agreement, as amended on December 28, 2022 (as amended, the “RiverPark Agreement”), with RiverPark Advisors, LLC and Cohanzick, the Company’s majority stockholder and historical sole member of CBA that is majority owned by the Company’s CEO and director, David Sherman, pursuant to which RiverPark Advisors, LLC intended to sell to CBA certain assets and CBA intended to assume certain liabilities, including certain rights and responsibilities under the RiverPark Advisory Agreement (as defined herein) and the RiverPark Expense Limitation Agreement (as defined herein) relating to the provision of investment advisory services for the mutual fund known as RiverPark Strategic Income Fund (the “RiverPark Fund”), subject to certain terms and conditions set forth in the agreement.

Pursuant to the RiverPark Agreement, no consideration was paid upon closing; however, CBA shall pay an amount approximately equal to 50% of RiverPark Fund’s management fees (as set forth in RiverPark Fund’s prospectus) to RiverPark (the prior adviser) and Cohanzick (the prior sub-adviser) for a period of three years after closing, and pay an amount approximately equal to 20% of the RiverPark Fund’s management fees in the fourth and fifth years after closing as set forth in the RiverPark Agreement. Notwithstanding the foregoing, certain of the amounts payable based on the RiverPark Fund’s management fees pursuant to the RiverPark Agreement during the first three years after the closing shall be capped such that they are less than \$1.3 million in the aggregate.

In connection with the RiverPark Agreement, Cohanzick and CBA entered into an agreement which prohibits Cohanzick from competing with a substantially similar strategic income strategy as the RiverPark Fund as an adviser or sub-adviser to a fund registered under the 1940 Act or any Undertakings for the Collective Investment in Transferable Securities (“UCITS”) products.

During the year ended December 31, 2023, payments made by CBA to Cohanzick in accordance with the RiverPark Agreement totaled \$219,972. There were no comparable payments made during the year ended December 31, 2022.

Historical Shared Expenses Prior to Consummation of the Mergers

The Company, through CrossingBridge, and Cohanzick, shared certain staff, office facilities, and administrative services. The parties involved had agreed to allocate these expenses based on the AUM of each party for activity occurring prior to the consummation of the Mergers. These allocated expenses are reported under the CrossingBridge operations segment in the accompanying consolidated statements of operations in the categories for which the utilization of services relates. A summary of the expenses allocated from Cohanzick to CBA for the year ended December 31, 2022 is noted below. There is no comparable activity for the year ended December 31, 2023, because Post-Merger there were no CBA expenses allocated in this manner.

Cohanzick Management Expense Allocation	Year Ended December 31,	
	2023	2022
Employee compensation and benefit expenses allocated	\$ -	\$ 284,850
Owner compensation and benefit expenses allocated	-	612,387
Other allocated expenses	-	269,830
Total allocated expenses	<u>\$ -</u>	<u>\$ 1,167,067</u>

There was no due to affiliate balance between CBA and Cohanzick reported on the Company's consolidated balance sheets as of the years ended December 31, 2023 and 2022. Any due to affiliate balance is due 13 months after the calendar year-end upon 60 days' written notice. If no notice is given, the date payment is due would extend for another 12 months with 0% interest. Repayments made during the year ended December 31, 2022 by CBA to Cohanzick, for allocated expenses recorded during the year ended December 31, 2021, totaled \$3,646,038.

Services Agreement with Cohanzick

In connection with the closing of the Mergers, CrossingBridge entered into a Services Agreement (the "Services Agreement") with Cohanzick pursuant to which CrossingBridge will make available to Cohanzick certain of its employees to provide investment advisory, portfolio management and other services to Cohanzick and, through Cohanzick, to Cohanzick's clients. Any such individuals will be subject to the oversight and control of Cohanzick, and any services so provided to Cohanzick or a client of Cohanzick will be provided by such CBA employees in the capacity of a supervised person of Cohanzick. Cohanzick additionally may use the systems of CBA or its affiliates for its daily operations; provided that appropriate policies, procedures, and other safeguards are established to assure that (a) the books and records of each of CBA and Cohanzick are created and maintained in a manner so as to be clearly separate and distinct from those of the other person and the clients of such person, and (b) confidential client and/or other material non-public information relating to the investment advisory activities of CBA or Cohanzick, as applicable, or other proprietary information regarding either such person or its clients, is safeguarded and maintained for the benefit of such person. As consideration for its services, Cohanzick will pay CBA a quarterly fee equal to 0.05% per annum of the monthly weighted average AUM during such quarter with respect to all clients for which Cohanzick has full investment discretion. Cohanzick and CrossingBridge will also split the payment of certain costs of other systems which use is shared between Cohanzick and CrossingBridge. The initial term of the agreement was one year from the Closing Date. The Services Agreement shall continue until terminated pursuant to its terms. Specifically, after August 11, 2023, either party may terminate the Services Agreement upon at least 120 days' prior written notice to the other party. Notwithstanding the foregoing, either party may terminate the Services Agreement at any time upon written notice following a material breach of the Services Agreement by other party that remains uncured for at least 30 days after the other party receives notice of, or otherwise reasonably should have been aware of, the material breach.

During the years ended December 31, 2023 and 2022, CBA reported \$205,074 and \$61,791 of operating expenses pursuant to the Services Agreement with Cohanzick, respectively.

During the years ended December 31, 2023 and 2022, CBA earned \$503,467 and \$246,743 of revenue from the Services Agreement with Cohanzick, respectively. As of December 31, 2023 and 2022, receivables of \$109,659 and \$160,330, respectively, related to the Services Agreement revenue are included in accounts receivable on the accompanying consolidated balance sheets. The Services Agreement receivable amounts recorded as of the year ended December 31, 2023 and 2022, were both collected in full during the subsequent calendar year.

License Agreement between CBA and Cohanzick

Pursuant to the Merger Agreement, the Company, through CBA, and Cohanzick entered into a license agreement. The license agreement provides CBA with the right to use and occupy certain office space originally leased by Cohanzick from a third-party landlord pursuant to a lease agreement dated November 23, 2018. The initial term of the license agreement runs through the first anniversary of the commencement date of the license agreement and will automatically renew for subsequent one-year terms unless otherwise earlier terminated pursuant to the terms thereof. Pursuant to the license agreement, CBA shall pay Cohanzick a fee equal to Licensee's Share (as defined herein) of the following charges: a monthly base rental and increases in certain taxes and operating expenses. "Licensee's Share" means for a calendar month that occurs in whole or in part during the term, the fraction, expressed as a percentage, the numerator of which is the number of CBA employees that occupied the licensed premises as of the first business day of such calendar month, and the denominator of which is the number of Cohanzick and CBA employees that occupied the premises as of the first business day of such calendar month, as reasonably determined by Cohanzick.

During the years ended December 31, 2023 and 2022, CBA paid \$68,755 and \$25,533, respectively, of rental expenses, including utilities, per the license agreement with Cohanzick.

Subsequent Event

On March 9, 2024, CBA replaced its affiliate Cohanzick as the Sub-Adviser to the RiverPark Short Term High Yield Fund (the "RiverPark Fund"). RiverPark Advisors, LLC ("RiverPark") remains the advisor to the RiverPark Fund.

The RiverPark Fund, which has been advised by RiverPark and sub-advised by Cohanzick since its inception on September 30, 2010, currently has in excess of \$780 million in AUM. Current Portfolio Manager, David Sherman, will continue to manage the RiverPark Fund in his capacity as President and Portfolio Manager of CBA, thereby consolidating all investment strategies under the CBA fund family.

Additionally, on March 8, 2024, Cohanzick entered into an agreement with CBA to assign all other investment advisory contracts and additional assets, and CBA assumed certain liabilities arising from such advisory contracts. Cohanzick will deregister as a registered investment advisor. CBA paid Cohanzick \$10,000,000 for the advisory contracts by way of a promissory note. CBA will pay Cohanzick quarterly interest payments beginning on June 30, 2024 until the note is paid in full. The note matures on March 8, 2031. CBA cannot prepay all or any portion of the principal amount of the note prior to March 8, 2027. After March 8, 2027, CBA may prepay the note without any penalty or premium. The note is solely an obligation of CBA and is non-recourse to ENDI. There has been no change in ownership among Cohanzick, CBA and ENDI.

Enterprise Diversified, Inc.

Due from Affiliate

Pursuant to the Merger Agreement, Enterprise Diversified agreed to reimburse Cohanzick for certain fees and expenses, comprising primarily of legal and accounting fees incurred as part of the share registration process. These fees were initially recorded and reimbursed for a total of \$594,152 during the year ended December 31, 2022. Upon further analysis by both parties, it was determined that only \$470,329 of these fees were subject to reimbursement in accordance with the Merger Agreement. The initial overpayment of these fees, totaling \$123,823, has been included within the due from affiliate amount on the accompanying consolidated balance sheets as of December 31, 2022. During the year ended December 31, 2023, this overpayment was repaid in full and the corresponding due from affiliate amount was settled.

Willow Oak Asset Management, LLC

Services Agreement with Arqitos

The Company, through Willow Oak, was party to a service-based contract with Arqitos Investment Manager, LP, Arqitos Capital Management, LLC, Arqitos Epicus, LP, and Arqitos Capital Offshore Master, Ltd. (collectively “Arqitos”), which are managed by Steven Kiel, the Company’s director, and earned revenue for certain services provided to Arqitos. In exchange for these services, Steven Kiel, through Arqitos, was contracted to perform certain ongoing consulting services for the benefit of Willow Oak. In addition to the foregoing exchange of services, Willow Oak also earned an annual performance revenue fee share through its contract with Arqitos. As of December 31, 2022, this service contract and revenue fee share have expired. During the year ended December 31, 2022, the Company earned \$24,451 of revenue through this fund management services arrangement. No comparable activity exists for the year ended December 31, 2023.

NOTE 4. MERGER AND BUSINESS COMBINATION WITH CROSSINGBRIDGE ADVISORS, LLC AND ENTERPRISE DIVERSIFIED, INC.

Overview

As discussed in Note 1, on December 29, 2021, ENDI entered into the Merger Agreement with Enterprise Diversified, Zeldia Merger Sub 1, Inc., a Delaware corporation (“First Merger Sub”), Zeldia Merger Sub 2, LLC, a Delaware limited liability company (“Second Merger Sub”), CrossingBridge and Cohanzick.

Pursuant to the terms of the Merger Agreement, Enterprise Diversified merged with First Merger Sub, a wholly-owned subsidiary of the Company, with Enterprise Diversified being the surviving entity, and CrossingBridge merged with Second Merger Sub, a wholly-owned subsidiary of the Company, with CrossingBridge being the surviving entity. In connection with the Mergers, each share of common stock of Enterprise Diversified was converted into the right to receive one share of Class A common stock, par value \$0.0001 per share, of the Company (the “Class A Common Shares” or the “Class A Common Stock”), and Cohanzick, as the sole member of CrossingBridge, received 2,400,000 Class A Common Shares and 1,800,000 shares of Class B common stock, par value \$0.0001 per share, of the Company (the “Class B Common Shares” or the “Class B Common Stock”, and together with the Class A Common Shares, the “Common Shares”), a Class W-1 Warrant to purchase 1,800,000 Class A Common Shares (“Class W-1 Warrant” or “W-1 Warrant”) and a Class W-2 Warrant to purchase 250,000 Class A Common Shares (“Class W-2 Warrant” or “W-2 Warrant”).

The Class A Common Shares and Class B Common Shares are identical other than the Class B Common Shares: (i) have the right to designate directors (as described below); (ii) shall not be entitled to participate in earnings, dividends or other distributions with respect to the Class A Common Shares; and (iii) shall not receive any assets of the Company in the event of a liquidation and (iv) shall be subject to redemption in certain circumstances. The Class W-1 Warrant and the Class W-2 Warrant issued to Cohanzick may be exercised in whole or in part at any time prior to the date that is five years after the Closing Date, at an exercise price of \$8.00 per Class A Common Share, subject to certain adjustments. Each of the warrants may also be exercised on a “cashless” basis at any time at the election of the holder and if not fully exercised prior to the expiration date of the warrant, shall be automatically exercised on a “cashless” basis. In addition, pursuant to the terms of a Securities Purchase Agreement dated as of August 18, 2022, certain designees of Cohanzick and certain officers, directors and employees of Enterprise Diversified purchased an aggregate of 405,000 Class A Common Shares at a price of \$5.369 per share.

Pursuant to the Merger Agreement, Enterprise Diversified agreed to reimburse Cohanzick certain fees and expenses, which amount to \$470,329. These fees were reimbursed during the year ended December 31, 2022 and were reported on the consolidated statements of operations as transaction expenses for the year ended December 31, 2022. On the Closing Date, the Company also entered into a registration rights agreement, (as amended, the “Registration Rights Agreement” or “RRA”), with certain stockholders that are deemed to be affiliates of ENDI immediately following the closing of the Mergers, pursuant to which such stockholders’ Class A Common Shares, including the Class A Common Shares underlying any warrants issued in connection with the Mergers, will be registered for resale on a registration statement to be filed by the Company with the SEC under the Securities Act of 1933, as amended. On January 12, 2024, the Company entered into an amendment to the RRA that indefinitely defers the Company’s obligation to file a shelf registration statement relating to the resale of such securities.

The holders of the Class B Common Stock, voting together as a single class, have the right to designate a number of directors of the Company’s board of directors (rounded up to the nearest whole number) equal to the percentage of the Company’s Common Shares beneficially owned by the holders of Class B Common Stock and their affiliates at the time of such designation, *provided however*, that for purposes of this designation right, the holders of the Company’s Class B Common Stock, voting together as a single class, shall have the right to designate not more than a majority of the members of the Company’s board of directors then in office, and, *provided further* that so long as holders of Class B Common Stock and their affiliates beneficially own at least 5.0% of the total outstanding Common Shares of the Company, holders of Class B Common Stock, voting together as a single class, shall have the right to designate at least one director. Any director elected to the Company’s board of directors pursuant to the above provisions of the Company’s Amended and Restated Certificate of Incorporation (the “Certificate of Incorporation”) will be referred to as a “Class B Director” and may only be removed by the holders of a majority of the Class B Common Stock.

On the Closing Date, the Company also entered into a stockholder agreement (the “Stockholder Agreement”) with Cohanzick pursuant to which, from and after the date that the holders of Class B Common Shares are no longer entitled to elect at least one director to the Company’s board of directors pursuant to the Certificate of Incorporation as described above, the following provisions apply: so long as David Sherman, Cohanzick and any of their successors or assigns (collectively, the “Principal Stockholder”) and their Affiliates (as defined in the Stockholder Agreement) beneficially own at least 5% of the Company’s outstanding Common Shares, the Principal Stockholder has the right to designate a number of the Company’s directors of the Company’s board of directors (rounded up to the nearest whole number) equal to the percentage of the Company’s Common Shares beneficially owned by the Principal Stockholder and its Affiliates at the time of such designation, *provided however* that for purposes of this designation right, the Principal Stockholder and its Affiliates shall have the right to designate not more than a majority of the members of the Company’s board of directors then in office and, *provided further*, that so long as the Principal Stockholder and its Affiliates beneficially owns at least 5% of the total outstanding Common Shares of the Company, the Principal Stockholder shall have the right to designate at least one director.

On the Closing Date, the Company also entered into a voting agreement (the “Voting Agreement”) with Cohanzick and Steven Kiel and Arquitos Capital Offshore Master, Ltd., in their capacity as the voting party (the “Voting Party”), pursuant to which the Voting Party shall vote all of its securities of the Company entitled to vote in the election of the Company’s directors that such Voting Party or its affiliates own (collectively, the “Voting Shares”) to elect or maintain in office the directors designated by Cohanzick (the “Cohanzick Member Designees”). The Voting Agreement will terminate automatically on the earlier of the date that (i) the holders of the Company’s Class B Common Stock or Cohanzick’s right to designate the Cohanzick Member Designees is terminated or expires for any reason, (ii) Steven Kiel is no longer a member of the Company’s board of directors and (iii) the Voting Party and its affiliates cease to hold any Voting Shares. The Voting Agreement will also terminate automatically with respect to any Voting Shares no longer held by the Voting Party or its affiliates.

The Business Combination is accounted for as a reverse acquisition using the acquisition method of accounting in accordance with ASC 805, Business Combinations, with CrossingBridge representing the accounting acquiror. Because the Merger qualifies as a reverse acquisition and, given that CrossingBridge was a private company at the time of the Merger and therefore its value was not readily determinable, the fair value of the Merger consideration was deemed to be equal to the fair value of Enterprise Diversified at the Closing Date. As part of the purchase price allocation, the Company engaged an independent third-party valuation consultant. In determining the total consideration for the ASC 805 analysis, the valuation consultant utilized the volume weighted average price of Enterprise Diversified’s stock from the Merger announcement date, December 30, 2021, through the Closing Date. In doing so, the valuation consultant considered that the Company’s stock was very thinly traded and the public float was only approximately 18.0% of total shares. The consultant also noted the book value of equity was approximately \$15.1 million, and composed primarily of short-term assets and liabilities, while the market capitalization as of the Closing Date was approximately \$14.5 million based on the closing price of \$5.49. As a result of these considerations, the valuation consultant determined that the purchase consideration was estimated to be \$18,637,576.

Purchase Price Allocation

The following table summarizes the fair values of assets acquired and liabilities assumed as of the Closing Date:

Cash	\$	15,873,598
Accounts receivable, net		35,027
Note receivable		50,000
Prepaid expenses		51,933
Other current assets		119,785
Fixed assets		3,431
Goodwill		737,869
Intangible assets		1,255,000
Deferred tax assets, net		1,249,556
Accounts payable		(20,506)
Accrued expenses		(513,922)
Deferred revenue		(203,547)
Other current liabilities		(648)
Total consideration	\$	<u>18,637,576</u>

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The excess of purchase consideration over the fair value of net tangible and intangible assets acquired was recorded as goodwill, which is primarily attributed to the future economic benefits arising from other assets acquired that could not be individually identified and separately recognized including expected synergies and the assembled workforce in place. The fair values assigned to tangible and intangible assets acquired and liabilities assumed were based on management's estimates and assumptions and were subject to change as additional information was received. The primary areas where provisional amounts were used related to the fair values of intangible assets acquired, certain tangible assets and liabilities acquired, note receivable, deferred income tax assets and liabilities, and residual goodwill.

During the Post-Merger period, the Company recorded three measurement period adjustments to the preliminary recorded values assigned to certain Company assets acquired as of the Closing Date. The fair value assigned to the Company's note receivable was reduced from \$300,000 to \$50,000, the fair value assigned to the Company's domain names was reduced from \$235,000 to \$175,000, and the fair value assigned to the Company's net deferred tax assets was increased from \$0 to \$1,249,556. The net changes in fair value, totaling an increase of \$939,556, proportionally decreased the balance of residual goodwill from \$1,677,425 to \$737,869 as of December 31, 2022. These adjustments were the product of expanded valuation analyses performed by management and were incorporated within the values noted in the table above. As of June 30, 2023, the Company considered the fair values of assets acquired and liabilities assumed to be final and no longer subject to potential adjustments.

The Company has assigned the residual goodwill based on an internal analysis that compared the anticipated future economic benefit to be generated by each operating segment with the Post-Merger carrying value of the respective operating segment. By way of this analysis, management allocated the balance of the residual goodwill to the CrossingBridge operations segment as of December 31, 2022.

The following table sets forth the components of identifiable intangible assets acquired and their estimated useful lives as of the Closing Date.

Intangible Assets	Estimated Fair Value	Estimated Useful Life (in Years)
Customer relationships - Sitestar.net	\$ 490,000	14
Customer relationships - Willow Oak	\$ 510,000	14
Trade Name - Sitestar.net	\$ 40,000	7
Trade Name - Willow Oak	\$ 40,000	7
Internet Domains - Sitestar.net	\$ 175,000	Indefinite

The estimated fair values of (i) the customer relationships were determined using the multi-period excess earnings method, (ii) the trade names were determined using the relief from royalty income approach, and (iii) the internet domain names were estimated using a market approach. The approaches used to estimate the fair values use significant unobservable inputs including revenue and cash flow forecasts, customer attrition rates, and appropriate discount rates.

Unaudited Pro Forma Information

The unaudited pro forma financial information presented below summarizes the combined results of operations for the Company as though the Merger was completed on January 1, 2021.

The unaudited pro forma financial information for all periods presented includes, among other items, amortization charges from acquired intangible assets, retention and other compensation expenses accounted for separately from the purchase accounting, and the related tax effects, but excludes the impacts of any expected operational synergies. The unaudited pro forma financial information as presented below is for informational purposes only and is not necessarily indicative of the results of operations that would have been achieved had the Merger actually been completed on January 1, 2021.

The unaudited pro forma financial information for the year ended December 31, 2022 combines the historical results of the Company for those periods, the historical results of Enterprise Diversified for the periods prior to the Closing Date, and the effects of the pro forma adjustments discussed above. The unaudited pro forma financial information is as follows:

	For the year ended December 31, 2022
Revenue	\$ 8,264,005
Net income	1,656,707
Net income per share	\$ 0.46

Revenues from the Business Combination recognized by the Company from the Closing Date to December 31, 2022 totaled \$367,179.

NOTE 5. RIVERPARK STRATEGIC INCOME FUND ASSET ACQUISITION

As discussed in Note 3, on November 18, 2022, CBA, entered into the RiverPark Agreement with RiverPark Advisors, LLC and Cohanzick pursuant to which RiverPark Advisors, LLC intended to sell to CBA certain assets and CBA intended to assume certain liabilities, including certain rights and responsibilities under the RiverPark Advisory Agreement (as defined herein) and the RiverPark Expense Limitation Agreement (as defined herein) relating to the provision of investment advisory services for the mutual fund known as the RiverPark Fund, subject to certain terms and conditions set forth in the agreement.

On May 10, 2023, the board of trustees of the RiverPark Fund and holders of a majority of the outstanding voting securities of RiverPark Fund approved the RiverPark Agreement and the transactions contemplated thereby. On May 12, 2023 (the "Closing Date"), as contemplated by the RiverPark Agreement, CBA assumed (i) the advisory services role under that certain Amended and Restated Investment Advisory Agreement (the "RiverPark Advisory Agreement") dated February 14, 2012 by and between RiverPark and RiverPark Funds Trust ("RiverPark Trust") pursuant to which RiverPark provided investment advisory services to the RiverPark Fund and (ii) the Operating Expense Limitation Agreement ("RiverPark Expense Limitation Agreement") dated as of July 1, 2019 by and between RiverPark and RiverPark Trust. Furthermore, pursuant to the RiverPark Agreement, on the Closing Date, the parties to that certain Sub-Advisory Agreement dated as of August 1, 2012 by and among RiverPark, Cohanzick and the RiverPark Trust, on behalf of the RiverPark Fund, have terminated such agreement and made CrossingBridge a party to the RiverPark Expense Limitation Agreement. Furthermore, in connection with the RiverPark Agreement, Cohanzick and CBA entered into an agreement which prohibits Cohanzick from competing with a substantially similar strategic income strategy as the RiverPark Fund as an adviser or sub-adviser to a fund registered under 1940 Act or any UCITS products.

Pursuant to the RiverPark Agreement, no consideration was paid upon closing; however, CBA shall pay an amount approximately equal to 50% of RiverPark Fund's management fees (as set forth in RiverPark Fund's prospectus) to RiverPark (the prior adviser) and Cohanzick (the prior sub-adviser) for a period of three years after closing, and pay an amount approximately equal to 20% of the RiverPark Fund's management fees in the fourth and fifth years after closing as set forth in the RiverPark Agreement. Notwithstanding the foregoing, certain of the amounts payable based on the RiverPark Fund's management fees pursuant to the RiverPark Agreement during the first three years after the closing shall be capped such that they are less than \$1.3 million in the aggregate. This liability is reported on the Company's consolidated balance sheets under earn-out liability.

The RiverPark Fund transaction is classified as an asset acquisition, and the costs of the acquisition were allocated to the assets acquired on the basis of their relative fair values. Assets acquired primarily consisted of customer relationships, investment contracts, and a noncompete agreement.

By applying the guidance in ASC 323-10-25-2A and ASC 323-10-25-2B to an asset acquisition, as the fair value of the group of assets exceeds the initial consideration, the consideration is recorded as the lesser of the maximum amount of contingent consideration or the excess of the fair value of the net assets acquired over the initial consideration paid. As the initial consideration of the transaction was \$0 and there is no maximum amount to the contingent consideration, the latter scenario is applied. The purchase price of \$2,341,600 consisted of a combination of \$2,141,612 in variable cash payments and \$199,988 of acquisition costs incurred by the Company in connection with the transaction. Variable cash payments are based on a percentage of the RiverPark Fund net advisory fees earned and daily average assets under management of the fund. Payments are to be made monthly over the next five years.

The acquisition-date fair value of the consideration transferred and the allocation of cost to the assets acquired and liabilities assumed at the acquisition date are as follows:

Acquisition-date fair value of variable cash payments	\$	2,141,612
Transaction costs		199,988
Total purchase price	\$	<u>2,341,600</u>
Allocation of cost to assets acquired:		
Customer relationships	\$	2,294,768
Investment management agreements		23,416
Noncompete agreement		23,416
Total cost of assets acquired	\$	<u>2,341,600</u>

NOTE 6. FAIR VALUE OF ASSETS AND LIABILITIES

GAAP defines fair value as the amount that would be received from the sale of an asset or paid for the transfer of a liability in an orderly transaction between market participants at the measurement date and establishes a hierarchy for disclosing assets and liabilities measured at fair value based on the inputs used to value them. The fair value hierarchy maximizes the use of observable inputs and minimizes the use of unobservable inputs. Observable inputs are based on market pricing data obtained from sources independent of the Company. Unobservable inputs reflect management's judgment about the assumptions market participants would use in pricing the asset or liability. The fair value hierarchy includes three levels based on the objectivity of the inputs as follows:

- Level I - inputs are quoted prices in active markets as of the measurement date for identical assets and liabilities that the Company has the ability to access. This category includes exchange-traded mutual funds and equity securities;
- Level II - inputs are inputs other than quoted prices included in Level I that are observable for the asset or liability, either directly or indirectly. Level II 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 or yield curves, that are observable at commonly quoted intervals; this category includes mortgage-backed securities, asset-backed securities, corporate debt securities, certificates of deposit, commercial paper, U.S. agency and municipal debt securities, U.S. Treasury securities, and derivative contracts; and
- Level III - 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. The measurements are highly subjective.

The availability of observable inputs can vary and is affected by a variety of factors. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised in determining fair value is the greatest for assets or liabilities categorized in Level III.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The Company's assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment and considers factors specific to the investment.

The following table presents information about the Company's assets measured at fair value as of the years ended December 31, 2023 and December 31, 2022.

	Level I	Level II	Level III	
	Quoted Prices in Active Markets for Identical Assets	Significant Other Observable Inputs	Significant Unobservable Inputs	Excluded (a)
December 31, 2023				
Investments in securities, at fair value (cost \$7,847,039)	\$ 7,715,075	\$ -	\$ -	\$ -
W-1 Warrant and Class B Common Stock liability, at fair value	-	-	464,000	-
Investment in limited partnership, at net asset value	-	-	-	348,815
Investment in warrants, at fair value (cost \$0)	-	-	62,400	-
Total	\$ 7,715,075	\$ -	\$ 526,400	\$ 348,815
December 31, 2022				
Investments in securities, at fair value (cost \$5,802,395)	\$ 5,860,688	\$ -	\$ -	\$ -
W-1 Warrant and Class B Common Stock liability, at fair value	-	-	576,000	-
Total	\$ 5,860,688	\$ -	\$ 576,000	\$ -

(a) Certain investments that are measured at fair value using the NAV per share (or its equivalent) as a practical expedient have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated balance sheets.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

As discussed previously, through Enterprise Diversified, the Company holds Level I investments, among which include shares of CrossingBridge Ultra-Short Duration Fund, CrossingBridge Low Duration High Yield Fund, RiverPark Strategic Income Fund, and CrossingBridge Responsible Credit Fund, which are SEC registered mutual funds for which CBA is the adviser, as well as shares of CrossingBridge Pre-Merger SPAC ETF, which is an ETF also advised by CBA. As of December 31, 2023 and 2022, Level I investments held by the Company in investment products advised by CBA totaled \$6,520,899 and \$4,850,308, respectively. The Company's remaining Level I investments held as of December 31, 2023 and 2022 includes marketable U.S. fixed income and equity securities. There are no liquidity restrictions in connection with these investments held through Enterprise Diversified.

The Company's investment in the commodity-based limited partnership is measured using NAV as the practical expedient and is exempt from the fair value hierarchy. The NAV is based on the value of the underlying assets owned by the fund, minus its liabilities, and allocated based on total fund contributions. The Company's investment in this limited partnership is remeasured to fair value on a recurring basis and realized and unrealized gains and losses are recognized as investment income in the period of adjustment. As of the year ended December 31, 2023, this investment is carried at its reported NAV of \$348,815. During the year ended December 31, 2023, we recognized \$13,845 of net investment losses related to this investment. No comparable activity exists for the year ended December 31, 2022.

Included as part of the Company's July 14, 2023 private placement investment through Enterprise Diversified, the Company received 100,000 warrants of the issuer's public parent company. The warrants are not registered or freely tradable and were not transferrable until after December 15, 2023. Due to these restrictions, the Company did not assign a value to the warrants prior to December 15, 2023. As of December 31, 2023, the warrants are now transferrable, but are still unregistered and contain various other trading restrictions. In order to value these warrants as of December 31, 2023, the Company has applied a marketability discount to similar like-kind warrants of the same company that actively trade on the OTCQX tier of the OTC Market. The Company evaluated similar marketability discounts applied to other OTC traded companies to arrive at a 20% discount rate. By applying the 20% discount rate to the most recent closing price of the comparable freely traded warrants, the Company valued the 100,000 warrants at \$62,400 as of December 31, 2023 on the accompanying consolidated balance sheets. Due to the lack of observable inputs used in the Company's calculation, the warrants have been classified as a Level III investment. The \$62,400 was also recognized as an unrealized gain for the year ended December 31, 2023 on the accompanying consolidated statement of operations.

As discussed previously, pursuant to the Merger Agreement, the Company issued 1,800,000 Class B Common Shares that are mandatorily redeemable upon exercise of the W-1 Warrant. Management has determined that the W-1 Warrant represents an embedded equity-linked feature within the Class B Common Shares, and therefore is valued in conjunction with the Class B Common Shares as a long-term liability on the consolidated balance sheets. The value of the W-1 Warrant and Class B Common Shares is determined using a Black-Scholes pricing model, resulting in a Level III classification. The pricing model considers a variety of inputs at each measurement date including, but not exclusively, a 30-day VWAP of the Company's closing stock price, the Company's estimated equity volatility over the remaining warrant term, the warrant exercise price, the Company's annual rate of dividends, the bond equivalent yield, and remaining term of the W-1 Warrant. Additionally, a discount is applied based on an analysis of the underlying marketability of the Company's Class A Common Stock with respect to Rule 144 restrictions. This value is remeasured at each reporting date with the change in value flowing through the consolidated statements of operations for the relevant period. The table below represents the relevant inputs used in the value determination as of December 31, 2023 and change in value from the Closing Date to December 31, 2023.

W-1 Warrant and Class B Common Stock	
<i>Inputs below are as of December 31, 2023</i>	
ENDI Corp. 30-day VWAP closing stock price	\$ 3.96
Warrant exercise price	\$ 8.00
Estimated equity volatility over remaining term	32.00%
ENDI Corp. annual rate of dividends	0.00%
Bond equivalent yield	3.84%
Remaining term of W-1 Warrant	3.61
Discount for lack of marketability	14.00%
August 11, 2022	\$ 1,476,000
Less: Unrealized gains reported in other income	(900,000)
December 31, 2022	576,000
Plus: Unrealized losses reported in other income	252,000
March 31, 2023	828,000
Less: Unrealized gains reported in other income	(355,000)
June 30, 2023	473,000
Plus: Unrealized losses reported in other income	172,000
September 30, 2023	645,000
Less: Unrealized gains reported in other income	(181,000)
December 31, 2023	\$ 464,000

Assets and Liabilities Measured at Fair Value on a Non-Recurring Basis

The Company analyzes its intangible assets — goodwill, customer relationships, trade names, investment management agreements, non-compete agreement, and domain names — on an annual basis or more often if events or changes in circumstances indicate potential impairments. No impairments were recorded during the years ended December 31, 2023 and 2022.

As discussed previously, the Company entered into a contingent consideration arrangement pursuant to the RiverPark Agreement, which is included on the consolidated balance sheets on December 31, 2023 for \$1,427,212, including both the short and long-term portions, as an earn-out liability. Contingent payment obligations related to asset purchases, if estimable and probable of payment, are initially recorded at their estimated value. When the contingency is ultimately resolved, any additional contingent consideration issued or issuable over the amount that was initially recognized as a liability is considered an additional cost of the acquisition. These additional costs would then be allocated to the qualifying assets on a relative fair value basis.

As discussed previously, Enterprise Diversified held a promissory note receivable from Triad DIP Investors, LLC and 847,847 aggregate shares of Triad Guaranty, Inc. common stock. During the three-month period ended March 31, 2023, Enterprise Diversified was issued a second amended and restated promissory note by Triad DIP Investors, LLC and was further notified that Triad had successfully secured a new financing resource that would permit a full repayment of Enterprise Diversified's promissory note. On April 27, 2023, the Company received repayment of the full historical principal balance and accrued interest related to the amended and restated promissory note receivable, which was greater than the Company's historical recorded carrying amount of \$50,000 as of December 31, 2022. As a result of these developments, the Company recognized \$334,400 of other income as a realized gain on collection of the note, which is included on the consolidated statements of operations for the year ended December 31, 2023. As of December 31, 2023, the Company attributed no value to its shares of Triad Guaranty, Inc. common stock due to the stocks' general lack of marketability.

NOTE 7. INTANGIBLE ASSETS AND PROPERTY AND EQUIPMENT

The Company's intangible assets as of December 31, 2023 and 2022 are included below.

	December 31, 2023	December 31, 2022
Customer relationships	\$ 3,294,768	\$ 1,000,000
Domain names	144,826	175,000
Trade names	80,000	80,000
Investment management agreements	23,416	-
Noncompete	23,416	-
	<u>3,566,426</u>	<u>1,255,000</u>
Less: accumulated amortization	(411,136)	(31,074)
Intangible assets, net	<u>\$ 3,155,290</u>	<u>\$ 1,223,926</u>

Amortization expenses on intangible assets during the years ended December 31, 2023 and 2022 totaled \$380,062 and \$31,074, respectively.

The cost of property and equipment as of December 31, 2023 and 2022 consisted of the following:

	December 31, 2023	December 31, 2022
Property and equipment	\$ 108,501	\$ 3,431
Less: accumulated depreciation	(1,808)	(3,431)
Property and equipment, net	<u>\$ 106,693</u>	<u>\$ -</u>

Depreciation expense was \$1,808 and \$3,431 for the years ended December 31, 2023 and 2022, respectively.

NOTE 8. SEGMENT INFORMATION

Prior to the Closing Date, including during the year ended December 31, 2022, the Company operated through a single reportable segment, CrossingBridge operations. Beginning on the Closing Date through the year ended December 31, 2022, the Post-Merger period, and continuing through the current period ended December 31, 2023, the Company operated through four reportable segments: CrossingBridge operations, Willow Oak operations, internet operations, and other operations.

The CrossingBridge operations segment includes revenue and expenses derived from investment management and advisory and sub-advisory services.

Beginning on August 12, 2022, the Willow Oak operations segment includes revenues and expenses derived from various joint ventures, service offerings, and initiatives undertaken in the asset management industry.

Beginning on August 12, 2022, the internet operations segment includes revenue and expenses related to the Company's sale of internet access, e-mail and hosting, storage, and other ancillary services. The Company's internet segment includes revenue generated by operations in both the United States and Canada. Included in consolidated statements of operations for the years ended December 31, 2023 and 2022, the internet operations segment generated revenue of \$689,802 and \$291,472 in the United States and revenue of \$35,968 and \$14,208 in Canada, respectively. All assets reported under the internet operations segment for the years ended December 31, 2023 and 2022 are located within the United States.

Beginning on August 12, 2022, the other operations segment includes revenue and expenses from nonrecurring or one-time strategic funding or similar activity and any revenue or expenses derived from corporate office operations, as well as expenses related to public company reporting, the oversight of subsidiaries, and other items that affect the overall Company.

Summarized financial information concerning the Company's reportable segments is shown in the following tables for the years ended December 31, 2023 and 2022.

Year Ended December 31, 2023	CrossingBridge	Willow Oak	Internet	Other	Consolidated
Revenues	\$ 8,678,783	\$ 182,970	\$ 725,770	\$ -	\$ 9,587,523
Cost of revenue	-	-	218,269	-	218,269
Operating expenses	5,261,667	399,928	234,173	1,753,039	7,648,807
Other income (expenses)	72,094	1,104	(19,882)	755,788	809,104
Net income (loss)	3,489,210	(215,854)	253,446	(997,251)	2,529,551
Goodwill	737,869	-	-	-	737,869
Identifiable assets	\$ 7,472,058	\$ 661,177	\$ 805,306	\$ 15,840,578	\$ 24,779,119
Year Ended December 31, 2022	CrossingBridge	Willow Oak	Internet	Other	Consolidated
Revenues	\$ 7,271,332	\$ 61,499	\$ 305,680	\$ -	\$ 7,638,511
Cost of revenue	-	-	103,843	-	103,843
Operating expenses	3,998,003	172,865	105,115	2,153,767	6,429,750
Other income (expenses)	15,611	(692)	(398)	1,263,146	1,277,667
Net income (loss)	3,288,940	(112,058)	96,324	(890,621)	2,382,585
Goodwill	737,869	-	-	-	737,869
Identifiable assets	\$ 955,625	\$ 726,279	\$ 905,395	\$ 18,146,327	\$ 20,733,626

NOTE 9. COMMITMENTS AND CONTINGENCIES

Leases

As of December 31, 2023 and 2022, the Company had no long-term leases that required right-of-use assets or lease liabilities to be recognized.

In accordance with ongoing accounting policy elections, the Company does not recognize right-of-use assets or lease liabilities for short-term or month-to-month leases. Total rental expenses attributed to short-term leases, including its membership agreement through ENDI Corp. and its license agreement through CBA, for the years ended December 31, 2023 and 2022 were \$81,785 and \$82,996, respectively.

There are no other operating lease costs for the years ended December 31, 2023 and 2022.

Other Commitments

Registration Rights Agreement

As discussed in Note 4, on the Closing Date, the Company entered into the RRA with certain stockholders that are deemed to be affiliates of ENDI immediately following the closing of the Mergers, pursuant to which such stockholders' Class A Common Shares, including the Class A Common Shares underlying any warrants issued in connection with the Mergers, will be registered for resale on a registration statement to be filed by the Company with the SEC under the Securities Act of 1933, as amended. On May 1, 2023, the Company entered into a second amendment to the RRA pursuant to which the parties extended the deadline by which the Company shall prepare and file or cause to be prepared and filed with the SEC a registration statement to on or before August 1, 2023, and on August 1, 2023, the Company entered into a third amendment to the RRA pursuant to which the parties extended the deadline by which the Company shall prepare and file or cause to be prepared and filed with the SEC a registration statement to on or before March 31, 2024. On January 12, 2024, the Company entered into an amendment to the RRA that indefinitely defers the Company's obligation to file a shelf registration statement relating to the resale of such securities.

Litigation & Legal Proceedings

Enterprise Diversified, Inc. (f/k/a Sitestar Corporation) v. Frank Erhartic, Jr.

On April 12, 2016, Enterprise Diversified filed a civil action complaint against Frank Erhartic, Jr. (the "Former CEO"), Enterprise Diversified's former CEO and director (prior to December 14, 2015) and an owner of record of Enterprise Diversified's common stock, alleging, among other things, that the Former CEO engaged in, and caused Enterprise Diversified to engage in, to its detriment, a series of unauthorized and wrongful related party transactions, including: causing Enterprise Diversified to borrow certain amounts from the Former CEO's mother unnecessarily and at a commercially unreasonable rate of interest; converting certain funds of Enterprise Diversified for personal rent payments to the Former CEO; commingling in land trusts certain real properties owned by Enterprise Diversified and real properties owned by the Former CEO; causing Enterprise Diversified to pay certain amounts to the Former CEO for lease payments under an unauthorized lease as to a storage facility owned by the Former CEO; causing Enterprise Diversified to pay rent on its corporate headquarters owned by the Former CEO's ex-wife in amounts commercially unreasonable and excessive, and making real estate tax payments thereon for the personal benefit of the Former CEO; converting to the Former CEO and/or absconding with five motor vehicles owned by Enterprise Diversified; causing Enterprise Diversified to pay real property and personal property taxes on numerous properties owned personally by the Former CEO; causing Enterprise Diversified to pay personal credit card debt of the Former CEO; causing Enterprise Diversified to significantly overpay the Former CEO's health and dental insurance for the benefit of the Former CEO; and causing Enterprise Diversified to pay the Former CEO's personal automobile insurance.

The lawsuit was tried to a jury in the Circuit Court for the City of Lynchburg (Lynchburg, Virginia) in September 2023, and the jury returned a unanimous verdict in favor of Enterprise Diversified and against Frank Erhartic, Jr. On September 25, 2023, the Court entered a civil judgment in favor of Enterprise Diversified in the amount of \$243,423, plus interest in the amount of 6% per year until the judgement is paid in full. Mr. Erhartic filed a Notice of Appeal on October 17, 2023, which is pending.

On November 27, 2023, Enterprise Diversified initiated a civil action in Nevada to domesticate the Judgment to execute on the Former CEO's stock in Enterprise Diversified. Following a statutorily required stay of execution, on February 13, 2024, Enterprise Diversified filed a request with the court to require the Former CEO to deliver his shares to Enterprise Diversified, or in the alternative, to allow Enterprise Diversified to issue new shares. Upon the Nevada Court's determination to grant Enterprise Diversified's request, and once in possession of the shares, Enterprise Diversified will be entitled to execute on the shares to satisfy amounts owed under the Judgment.

NOTE 10. STOCKHOLDERS' EQUITY**Classes of Shares**

As of December 31, 2023, the Company's Certificate of Incorporation authorizes the issuance of an aggregate of 17,800,000 shares of capital stock of the Company consisting of 14,000,000 authorized shares of Class A Common Stock, par value of \$0.0001 per share, 1,800,000 authorized shares of Class B Common Stock, par value of \$0.0001 per share, and 2,000,000 shares of preferred stock, par value of \$0.0001 per share ("Preferred Stock").

Class A Common Stock

As of December 31, 2023, 5,452,383 shares of the Company's Class A Common Stock were issued and outstanding.

Holders of the Company's Class A Common Stock are entitled to one vote per share on all matters on which stockholders of the Company generally or holders of the Company's Class A Common Stock as a separate class are entitled to vote. However, holders of the Company's Class A Common Stock will have no voting power as to any amendment to Company's Certificate of Incorporation relating solely to the terms of any outstanding series of ENDI Corp. Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the Company's Certificate of Incorporation or pursuant to the Delaware General Corporation Law ("DGCL").

Subject to applicable law and the rights, if any, of the holders of any outstanding series of Preferred Stock or any other outstanding class or series of stock of the Company, having a preference over or the right to participate with the Class A Common Stock with respect to the payment of dividends and other distributions in cash, property or shares of stock of the Company, holders of the Company's Class A Common Stock are entitled to receive such dividends and other distributions in cash, property or shares of ENDI Corp. stock when, as and if declared thereon by the Company's board of directors from assets or funds legally available therefor. Upon a liquidation, dissolution or winding up of the Company's affairs, after payment or provision for payment of the debts and other liabilities of the Company and of the preferential and other amounts, if any, to which the holders of ENDI Corp. Preferred Stock shall be entitled, the holders of all outstanding shares of ENDI Corp.'s Class A Common Stock will be entitled to receive, on a pro rata basis, the remaining assets of the Company available for distribution ratably in proportion to the number of shares held by each such stockholder.

Class B Common Stock

As of December 31, 2023, 1,800,000 shares of the Company's Class B Common Stock were issued and outstanding.

Holders of the Company's Class B Common Stock are entitled to one vote per share on all matters on which stockholders of the Company generally or holders of Company's Class B Common Stock as a separate class are entitled to vote. However, holders of the Company's Class B Common Stock will have no voting power as to any amendment to the Company's Certificate of Incorporation relating solely to the terms of any outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the Company's Certificate of Incorporation or pursuant to the DGCL. The holders of ENDI Corp.'s Class B Common Stock are not entitled to receive any dividends or other distributions in cash, property, or shares of the Company's stock and will not be entitled to receive any assets of ENDI Corp. in the event of any liquidation, dissolution, or winding up of the Company's affairs.

Preferred Stock

As of December 31, 2023, the Company had no issued shares of Preferred Stock.

The voting, dividend, distribution, and any other rights of holders of any series of the Company's Preferred Stock will be as described in the applicable Certificate of Designation designating such series of Preferred Stock.

NOTE 11. INCOME TAXES

The provision for federal and state income taxes for the years ended December 31, 2023 and 2022 included the following:

	Year Ended December 31,	
	2023	2022
Current provision (benefit):		
Federal	\$ 307,923	\$ -
State	39,872	-
Deferred provision (benefit):		
Federal	280,776	(186,103)
State	(15,067)	(5,575)
Valuation allowance	-	-
Total income tax expense (benefit)	<u>\$ 613,504</u>	<u>\$ (191,678)</u>

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Deferred tax assets and liabilities reflect the net effect of temporary differences between the carrying amount of assets and liabilities used for income tax purposes. Significant components of the Company's deferred tax assets and liabilities at December 31, 2023 and 2022 are as follows:

	Year Ended December 31,	
	2023	2022
Deferred tax assets:		
Net operating loss carryforwards	\$ 1,289,646	\$ 1,475,901
Carrying value differences	215,337	203,541
Net deferred tax assets	1,504,983	1,679,442
Deferred tax liabilities:		
Carrying value differences	(355,632)	(238,208)
Net deferreds	\$ 1,149,351	\$ 1,441,234

A reconciliation between the Company's effective tax rate on income from continuing operations and the statutory tax rate for the years ended December 31, 2023 and 2022, is as follows:

	Year Ended December 31,	
	2023	2022
Net income tax provision (benefit) at federal statutory rate of 21%	\$ 660,042	\$ (172,768)
Adjustments to reconcile to the effective rate:		
State and local income tax (benefit), net of federal tax benefits	57,143	(14,736)
Dividends received deduction	(48,224)	-
Non-taxable gain	(35,112)	-
Stock compensation and related expenses	-	185,169
W-1 Warrant mark-to-market	(23,520)	(189,000)
Other	3,175	(343)
Effective income tax provision (benefit)	\$ 613,504	\$ (191,678)

As mentioned in Note 2, in as much as CBA had a single member prior to the Closing Date, it had historically been treated as a disregarded entity for income tax purposes. Consequently, Federal and state income taxes have not been provided for periods prior to the Closing Date as its single member was taxed directly on CBA's earnings. During 2021, CBA's historical single member made a pass-through entity tax ("PTET") election with New York State. The PTET is an optional tax that partnerships or New York S corporations may annually elect to pay on certain income for tax years beginning on or after January 1, 2021. If an eligible partnership or New York S corporation elects to pay the PTET, its partners, members, or shareholders subject to personal income tax may be eligible for a PTET credit on their New York State income tax returns. CBA's carve-out piece of the 2021 PTET election made by CBA's historical single member was \$112,100 and is included in the due to affiliate balance on the balance sheet as of the year ended December 31, 2021. CBA activity subsequent to the Closing Date was consolidated within ENDI Corp.'s tax return that was filed for the year ended December 31, 2022 and has been included in the income tax provision for the year ended December 31, 2022.

GAAP provides for the recognition of deferred tax assets if realization of such assets is more likely than not. As of December 31, 2023 and 2022, the Company had federal and state net operating loss carryforwards of approximately \$6.0 million and \$6.8 million, respectively. A portion of these carryforwards will expire in various amounts beginning in 2035, however the majority of these carryforwards will not expire as they were generated after December 31, 2017. The Company expects it will be able to use its carryforwards subject to expiration in full prior to 2035. Section 382 limits the use of net operating loss carryforwards in certain situations where changes occur in the stock ownership of a company. Net operating losses that arose prior to that ownership change will have limited availability to offset taxable income arising in periods following the ownership change. During the year ended December 31, 2022, the Company performed an analysis to determine if a change of control occurred as a product of the Business Combination, and has determined that a change of control is more likely than not to have occurred on August 11, 2022. Under Section 382, net operating loss carryforwards that arose prior to the ownership change will have limited availability to offset taxable income arising in future periods following the ownership change. Section 382 imposes multiple separate and distinct limits on the utilization of pre-change of control net operating losses based on the fair market value of the Company immediately prior to the change of control, as well as certain activities that may or may not occur during the 60 months immediately following the change of control. While the majority of the Company's historic net operating losses will be limited to an annual threshold, the majority of historic net operating losses also will not be subject to future expiration. As of the years ended December 31, 2023 and 2022, the Company has not provided a valuation allowance against its net operating losses as the Company expects to be able to use its net operating losses in full to offset future taxable income generated by the Company.

As described further in Note 4, during the three-month period ended December 31, 2022, the Company recorded a measurement period adjustment to the preliminary recorded fair value assigned to the Company's acquired net deferred tax assets on the Closing Date. The fair value of acquired net deferred tax assets was increased from \$0 to \$1,249,556, with the corresponding decrease allocated to the Company's residual amount of goodwill as of December 31, 2022. This adjustment was the product of the Section 382 analysis described above.

The Company is required to recognize in the financial statements the impact of a tax position, if that position is not more likely than not of being sustained on audit, based on the technical merits of the position. The Company's policy is to record interest and penalties related to unrecognized tax benefits in income tax expense. There was no unrecognized tax benefit as of December 31, 2023 and 2022. The Company does not expect that its uncertain tax positions will materially change in the next 12 months. No liability related to uncertain tax positions is recorded on the accompanying financial statements related to uncertain tax positions.

The Company operates in various tax jurisdictions and is subject to audit by various tax authorities. To the extent of the Company's tax loss carryovers, the Company's federal and state tax returns will be subject to examination by the tax authorities from the earliest years in which such tax attributes arise. While the amount of those tax loss carryovers continues to be subject to adjustment, any assessment of additional tax for those prior years is generally barred, except for the three most recent years (federal) or four most recent years (state). Tax contingencies are based upon their technical merits, relative law, and the specific facts and circumstances as of each reporting period. Changes in facts and circumstances could result in material changes to the amounts recorded for such tax contingencies.

During the years ended December 31, 2023 and 2022, the Company reported \$613,504 of income tax expense and \$191,678 of income tax benefit, respectively, as a result of the Company's current tax liabilities and the change in the Company's net deferred tax assets.

NOTE 12. SUBSEQUENT EVENTS

Deregistration

On January 12, 2024, we filed a Form 15 certifying the deregistration of our Class A common stock under Section 12(g) of the Exchange Act and suspension of our duty to file reports under Sections 13 and 15(d) of the Exchange Act. Once the Company's deregistration is effective, approximately 90 days after the submission of its Form 15, the Company will continue to be quoted on the OTCQB tier under OTC Market's alternative reporting method.

CBA and RiverPark Transaction

On March 9, 2024, CBA replaced its affiliate Cohanzick as the Sub-Adviser to the RiverPark Short Term High Yield Fund (the "RiverPark Fund"). RiverPark Advisors, LLC ("RiverPark") remains the advisor to the RiverPark Fund. The RiverPark Fund, which has been advised by RiverPark and sub-advised by Cohanzick since its inception on September 30, 2010, currently has in excess of \$780 million in AUM. Current Portfolio Manager, David Sherman, will continue to manage the RiverPark Fund in his capacity as President and Portfolio Manager of CBA, thereby consolidating all investment strategies under the CBA fund family.

CBA and Cohanzick Transaction

On March 8, 2024, Cohanzick entered into an agreement with CBA to assign all other investment advisory contracts and additional assets, and CBA assumed certain liabilities arising from such advisory contracts. Cohanzick is deregistering as a registered investment advisor. CBA paid Cohanzick \$10,000,000 for the advisory contracts by way of a promissory note. CBA will pay Cohanzick quarterly interest payments beginning on June 30, 2024 until the note is paid in full. The note matures on March 8, 2031. CBA cannot prepay all or any portion of the principal amount of the note prior to March 8, 2027. After March 8, 2027, CBA may prepay the note without any penalty or premium. The note is solely an obligation of CBA and is non-recourse to ENDI. There has been no change in ownership among Cohanzick, CBA and ENDI.

Management has evaluated all subsequent events from December 31, 2023, through April 1, 2024, the date the consolidated financial statements were issued. Management concluded that no additional subsequent events have occurred that would require recognition or disclosure in the consolidated financial statements.

EXHIBIT 4.1**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12
OF THE SECURITIES EXCHANGE ACT OF 1934**

As of December 31, 2023, ENDI Corp. (the "Company") had one class of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), its Class A Common Stock, par value \$0.0001 per share (the "Class A Common Stock"). On January 12, 2024, we filed a Form 15 certifying the deregistration of our Class A Common Stock under Section 12(g) of the Exchange Act and suspension of our duty to file reports under Sections 13 and 15(d) of the Exchange Act.

Description of Class A Common Stock

The following description of the Company's Class A Common Stock is a summary and does not purport to be complete. It is subject to and qualified in its entirety by reference to the Company's Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation") and the Company's Amended and Restated Bylaws (the "Bylaws"), each of which is incorporated by reference as an exhibit to the Annual Report on Form 10-K of which this Exhibit 4.1 is a part. The Company encourages you to read its Certificate of Incorporation, Bylaws, and the applicable provisions of the Delaware General Corporation Law (the "DGCL") for additional information.

Authorized Capital Stock

The Company's authorized capital shares consist of 14,000,000 shares of Class A Common Stock, par value \$0.0001 per share, 1,800,000 shares of Class B Common Stock, par value \$0.0001 per share (the "Class B Common Stock" and together with the Class A Common Stock, the "Common Stock"), and (iii) 2,000,000 shares of preferred stock, par value \$0.0001 per share ("Preferred Stock"). As of December 31, 2023, there were 5,452,383 shares of our Class A Common Stock and 1,800,000 shares of our Class B Common Stock issued and outstanding and no shares of Preferred Stock issued and outstanding.

The number of authorized shares of any of the Class A Common Stock, Class B Common Stock, or Preferred Stock may be increased or decreased (but not below the number of shares then outstanding) by the affirmative vote of the holders of a majority in voting power of the stock of the Company entitled to vote, irrespective of Section 242(b)(2) of the DGCL (or any successor provision thereto), and no vote of the holders of any of the Class A Common Stock, Class B Common Stock, or Preferred Stock voting separately as a class shall be required, unless a vote of any such holder is required pursuant to the Company's Certificate of Incorporation of the Corporation.

If the Company subdivides or combines the outstanding shares of Class A Common Stock, the outstanding shares of Class B Common Stock will be proportionately subdivided or combined. If the Company subdivides or combines the outstanding shares of Class B Common Stock, the outstanding shares of Class A Common Stock will be proportionately subdivided or combined.

Voting Rights

Except as may otherwise be provided in the Company's Certificate of Incorporation or by applicable law, each holder of Class A Common Stock shall be entitled to one vote for each share of Class A Common Stock held by such holder on all matters on which stockholders generally or holders of Class A Common Stock as a separate class are entitled to vote; provided that to the fullest extent permitted by applicable law, holders of Class A Common Stock will have no voting power as to any amendment to the Company's Certificate of Incorporation that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together with the holders of one or more other such series, to vote thereon pursuant to the Certificate of Incorporation or pursuant to the DGCL.

The holders of Class A Common Stock shall vote together as a single class with the Class B Common Stock or together with the holders of one more series of Preferred Stock if the holders of such Preferred Stock are entitled to vote together with the holders of the Company's Common Stock, as a single class, on all matters submitted to a vote of the stockholders generally.

Dividend Rights

Subject to applicable law and the rights, if any, of the holders of any outstanding series of Preferred Stock or any other outstanding class or series of stock of the Company, having a preference over or the right to participate with the Class A Common Stock with respect to the payment of dividends and other distributions in cash, property or shares of stock of the Company, holders of Class A Common Stock shall be entitled to receive such dividends and other distributions in cash, property or shares of stock of the Company when, as and if declared thereon by the Company's board of directors (the "Board") out of the assets or funds of the Company that are by applicable law available therefor.

Distribution Rights

In the event of any liquidation, dissolution or winding up of the Company's affairs, after payment or provision for payment of the debts and other liabilities of the Company and of the preferential and other amounts, if any, to which the holders of Preferred Stock shall be entitled, the holders of all outstanding shares of Class A Common Stock will be entitled to receive, on a pro rata basis, the remaining assets of the Company available for distribution ratably in proportion to the number of shares held by each such stockholder.

Other Rights

Holders of the Company's Class A Common Stock have no preemptive or conversion rights or other subscription rights.

Applicable Anti-Takeover Law

Set forth below is a summary of the provisions of the Company's Certificate of Incorporation and Bylaws and the DGCL that could have the effect of delaying or preventing a change in control of the Company. The following description is only a summary, and it is qualified by reference to the Certificate of Incorporation, Bylaws and relevant provisions of the DGCL.

Business Combinations with Interested Stockholders

Pursuant to the Company's Certificate of Incorporation, while the Company has expressly elected to not be governed by Section 203 of the DGCL, it shall not engage in any business combination (as defined in the Certificate of Incorporation), at any point in time at which shares of Common Stock are registered under Section 12(b) or 12(g) of the Exchange Act, with any interested stockholder (as defined in the Certificate of Incorporation) for a period of three years following the time that such stockholder became an interested stockholder, unless: (i) prior to such time, the Board approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder; (ii) upon consummation of the transaction which resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock (as defined in the Certificate of Incorporation) of the Company outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned by (A) persons who are directors and also officers and (B) employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or (iii) at or subsequent to such time, the business combination is approved by the Board and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least 66 2/3% of the outstanding voting stock of the Company which is not owned by the interested stockholder. The could have the effect of delaying, deferring or preventing a change in control of the Company.

Board of Directors Vacancies

Subject to certain exceptions, the Company's Certificate of Incorporation authorizes the Company's Board to fill vacant directorships. In addition, the number of directors constituting the Company's board of directors may be set by resolution adopted by the affirmative vote of a majority of the entire Board.

Special Meeting of Stockholders

The Company's Certificate of Incorporation provides that subject to the rights of the holders of any outstanding series of Preferred Stock and any rights granted pursuant to the Stockholders Agreement (as defined in the Certificate of Incorporation), special meetings of the stockholders of the Company may only be called by or at the direction of the Board or the Chairman of the Board.

Advance Notice Requirements for Stockholder Proposals and Director Nominations

The Company's Bylaws provide that stockholders seeking to bring business before the Company's annual meeting of stockholders, or to nominate candidates for election as directors at the Company's annual meeting of stockholders, must provide timely notice of their intent in writing. To be timely, a stockholder's notice must be delivered to the Company's Secretary at the Company's principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting; provided, however, that in the event that the date of the annual meeting is advanced by more than 30 days, or delayed by more than 70 days, from the anniversary date of the previous year's meeting, or if no annual meeting was held in the preceding year, notice by the stockholder to be timely must be so delivered not earlier than the close of business on the 120th day prior to such annual meeting and not later than the close of business on the later of the 90th day prior to such annual meeting or the 10th day following the day on which a public announcement (as defined in the Certificate of Incorporation) of the date of such meeting is first made by the Company. These provisions may preclude the Company's stockholders from bringing matters before the Company's annual meeting of stockholders or from making nominations for directors at the Company's annual meeting of stockholders.

Authorized but Unissued Shares

The Company's authorized but unissued shares of Common Stock and Preferred Stock are available for future issuance without stockholder approval and may be utilized for a variety of corporate purposes, including future public offerings to raise additional capital, corporate acquisitions and employee benefit plans. The existence of authorized but unissued and unreserved Common Stock and Preferred Stock could render more difficult or discourage an attempt to obtain control of the Company by means of a proxy contest, tender offer, merger or otherwise.

Exclusive Forum

The Company's Certificate of Incorporation provides that unless the Company consents in writing to an alternative forum, the Court of Chancery of the State of Delaware shall, to the fullest extent permitted by applicable law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on behalf of the Company, (ii) any action asserting a claim of breach of a fiduciary duty owed by any current or former director, officer, stockholder or employee of the Company to the Company or the Company's stockholders, (iii) any action asserting a claim arising under any provision of the DGCL, the Company's Certificate of Incorporation or the Company's Bylaws or as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware, or (iv) any action asserting a claim governed by the internal affairs doctrine.

The federal district courts of the United States of America shall, to the fullest extent permitted by applicable law, be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the federal securities laws of the United States, including, in each case, the applicable rules and regulations promulgated thereunder.

Any person or entity that acquires or holds any interest in any security of the Company shall be deemed to have notice of and consented to this provision.

Transfer Agent

The Company's transfer agent and registrar is Colonial Stock Transfer Company, Inc. whose address is 66 Exchange Place, Suite 100, Salt Lake City, Utah 84111.

Listing

The Company's Common Stock is quoted on the OTCQB Tier of the OTC Markets Group, Inc. under the symbol "ENDI". As previously disclosed on our Current Report on Form 8-K filed on January 12, 2024, we have filed a Form 15 certifying the deregistration of our Class A common stock under Section 12(6) of the Exchange Act and suspension of our duty to file reports under Sections 13 and 15(d) of the Exchange Act.

EXHIBIT 21.1**LIST OF SUBSIDIARIES OF ENDI CORP.**

	State of Incorporation/Organization	Percentage Owned by Registrant
Bonhoeffer Capital Management, LLC	New York	100% (indirectly)
CrossingBridge Advisors, LLC	Delaware	100% (directly)
eBuild Ventures, LLC	Delaware	100% (directly)
Enterprise Diversified, Inc.	Nevada	100% (directly)
Sitestar.net, Inc.	Virginia	100% (indirectly)
Willow Oak Asset Management, LLC	Delaware	100% (indirectly)
Willow Oak Asset Management Affiliate Management Services, LLC	Delaware	100% (indirectly)
Willow Oak Asset Management Fund Management Services, LLC	Delaware	100% (indirectly)
Willow Oak Capital Management, LLC	Delaware	100% (indirectly)

EXHIBIT 31.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER OF ENDI CORP.
PURSUANT TO RULE 13a-14(a)/15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-
OXLEY ACT OF 2002**

I, David Sherman, certify that:

1. I have reviewed this Annual Report on Form 10-K of ENDI Corp.;
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 the 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 information; 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.

Date: April 1, 2024

By: /s/ David Sherman
David Sherman
Chief Executive Officer
(Principal Executive Officer)

EXHIBIT 31.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER OF ENDI CORP.
PURSUANT TO RULE 13a-14(a)/15d-14(a) UNDER THE SECURITIES EXCHANGE ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302 OF THE SARBANES-
OXLEY ACT OF 2002**

I, Alea Kleinhammer, certify that:

1. I have reviewed this Annual Report on Form 10-K of ENDI Corp.;
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 the 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 information; 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.

Date: April 1, 2024

By: /s/ Alea Kleinhammer

Alea Kleinhammer
Chief Financial Officer
(Principal Financial and Accounting Officer)

EXHIBIT 32.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER OF ENDI CORP.
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 Annual Report of ENDI Corp. (the "Company") on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission (the "SEC") on the date hereof (the "Report"), I, David Sherman, Chief Executive Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

By: /s/ David Sherman
David Sherman
Chief Executive Officer
(Principal Executive Officer)

April 1, 2024

This certification is being furnished to the SEC with this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, as amended, and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section.

EXHIBIT 32.2

**CERTIFICATION OF CHIEF FINANCIAL OFFICER OF ENDI CORP.
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 Annual Report of ENDI Corp. (the "Company") on Form 10-K for the year ended December 31, 2023, as filed with the Securities and Exchange Commission (the "SEC") on the date hereof (the "Report"), I, Alea Kleinhammer, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

By: /s/ Alea Kleinhammer

Alea Kleinhammer
Chief Financial Officer
(Principal Financial and Accounting Officer)

April 1, 2024

This certification is being furnished to the SEC with this Report pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, as amended, and shall not, except to the extent required by such Act, be deemed filed by the Company for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to liability of that section.
