

**From:** [Parker, Alexander E.](#)  
**To:** ["Sayerwin, Scarlet"; "Relampagos, Stella C."](#)  
**Cc:** [jfrank@oaktreecap.com](mailto:jfrank@oaktreecap.com)  
**Subject:** FW:  
**Date:** Thursday, December 18, 2025 9:58:00 PM  
**Importance:** High

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Dear Mses. Sayerwin and Relampagos:

We request that you immediately forward a copy of the below correspondence (with Rasool Rayani, a member of the Daily Journal Corporation's Audit Committee) to the Audit Engagement Partner and Audit Quality Review Partner overseeing the Daily Journal Corporation audit engagement.

Mr. Rayani describes compliance with Section 16 of the Securities Exchange Act as "the flimsiest of technicalities." He does not understand when a Form 3 is due. He has not filed one himself in 18 months of board service.

This is the tone at the top. Under the COSO Internal Control Framework, the control environment—including the integrity and ethical values demonstrated by the board and management—is the foundation of effective internal control over financial reporting. An Audit Committee which dismisses federal securities law as a "flimsy technicality" is not demonstrating commitment to compliance. They are demonstrating disregard to it.

Baker Tilly is being asked to sign an audit opinion for a company whose Audit Committee regards compliance with federal securities laws as a trivial nuisance. I would ask that you consider what that suggests about the Committee's approach to compliance with GAAP and Regulation S-X, especially in light of the issues we have already raised (for which Baker Tilly has been consistently provided copies of).

Respectfully,  
Alexander

Alexander E. Parker  
Chairman of the Board and Chief Executive Officer | Buxton Helmsley, Inc.

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-----Original Message-----

From: Parker, Alexander E.  
Sent: Thursday, December 18, 2025 9:25 PM  
To: 'Rasool' <[rasool.rayani@gmail.com](mailto:rasool.rayani@gmail.com)>  
Cc: [jfrank@oaktreecap.com](mailto:jfrank@oaktreecap.com)  
Subject: RE:

Rasool,

Thank you for your response. It clarifies a great deal.

You write that the Section 16 violations involve "late Section 16 filings for the first-ever shares that vested under the directors' plan."

This reflects a fundamental misunderstanding of Form 3 requirements. Form 3 is due within 10 days of becoming a director, regardless of whether any shares have vested or whether the director owns any securities at all. The obligation is triggered by becoming a director, not by acquiring shares. Many times, directors begin by filing a Form 3 showing zero beneficial ownership. The form is called an "Initial Statement of Beneficial Ownership" because it establishes a baseline at the time of becoming an insider, before possible vesting of compensation.

You joined the Board in June 2024. Your Form 3 was due within 10 days of that date. It is now 18 months later. No Form 3 has ever been filed.

You are a member of the Audit Committee—the committee responsible for overseeing the Company's compliance with SEC reporting obligations. You do not understand the most basic of those obligations. And you have now put that misunderstanding and lack of care in writing.

You also describe Section 16 compliance as "the flimsiest of technicalities." This is a remarkable statement from an Audit Committee member. Section 16 is not a technicality. It is a federal securities law enacted by Congress to ensure transparency in the ownership interests of corporate insiders. The fact that you regard compliance with federal securities laws as a trivial matter—while sitting on the committee responsible for such compliance—tells shareholders everything they need to know about the current Board's approach to governance.

You describe the CFO's departure as a "thoughtful transition rather than anything nefarious." Thoughtful transitions do not require separation agreements with general releases of claims and non-disparagement obligations. Perhaps you have not reviewed the terms of Ms. To's departure. Or perhaps you have, and this is simply the message you have been instructed to deliver.

You state that our proxy contest "will fail, as few shareholders will vote for you." I would remind you that 40% of shareholders voted against the incumbent directors at the last annual meeting—before the CFO's departure, before the Section 16 violations were exposed, and before shareholders learned that the entire Audit Committee cannot comply with a two-page beneficial ownership form (not to mention, the GAAP and Regulation S-X issues).

As for your request that Ms. Petrozzello respond in my place: No. I do not take direction from you. But since you have expressed curiosity about why Ms. Petrozzello is standing behind this, I am happy to clarify. It is because she sees companies, just like the Daily Journal, consistently violating their obligations under accounting standards and securities laws, and no one says anything about it. Ms. Petrozzello is a CPA and Certified Fraud Examiner who serves on the Board of Directors of the American Institute of Certified Public Accountants—the organization that develops and grades the CPA examination. She is, in other words, among the professionals who determine whether accountants are qualified to practice. I am confident her understanding of ASC 985-20 exceeds that of whoever has been advising your Board. I am sure you have been provided with the authoritative AICPA guidance we previously delivered, which clearly states that the Daily Journal's position on ASC 985-20 is incorrect. That guidance includes a diagram of the activities in an agile development sprint that are subject to capitalization—activities the Daily Journal has ignored entirely. The result is to grossly mislead shareholders as to whether capital is being expended or invested in the business. These are two very different things, which any member of an audit committee should understand.

This correspondence will be part of the record.

Alexander

Alexander E. Parker  
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-----Original Message-----

From: Rasool <rasool.rayani@gmail.com>

Sent: Thursday, December 18, 2025 8:57 PM

To: Parker, Alexander E. <alexander.parker@buxtonhelmsley.com>

Subject:

Caution: This is an external email from outside the Buxton Helmsley network. Please take care when clicking links or opening attachments. If you question or doubt, contact the Buxton Helmsley Compliance Department.

Alexander,

In most circumstances, I would consider engaging with a solicitation like this to understand if there has been a misunderstanding that can be navigated and rectified.

In this case, I'm starting from a basis of zero trust. Your behaviour so far is not that of someone acting in good faith. You have not earned any trust because, whatever your larger strategy or "reasons" might be, you have consistently mischaracterized matters and sought to make ado of the flimsiest of technicalities to further your objectives. It strikes me that something like late Section 16 filings for the first-ever shares that vested under the directors' plan are very meager sticks to build a campfire where, as you probably know, the remedy is simple disclosure of the late filings in the proxy statement.

Broadly, I consider your claims meritless and your conduct adverse to the interest of Daily Journal's shareholders. You have claimed an "accounting mess," but there is no mess. Your criticism is misplaced and reflects a misunderstanding of the applicable accounting rules.

The CFO's departure is part of a thoughtful transition rather than anything nefarious.

You are free to launch a proxy contest, which will fail, as few shareholders will vote for you. Rather than launch a baseless fight, which will cost your fund significant money that will not be recoverable, you should simply apologize and move on.

All that said, the conversation that I would consider in the spirit of what you're suggesting would be one with Ms. Petrozzello. I'd be curious to get her perspective on the factors at play because I'm keen to understand the basis for her being willing to risk her reputation on an endeavor like this.

In fact, I request any reply to this email come from her and not you.

Sincerely,  
Rasool

From: Alexander E. Parker <alexander.parker@buxtonhelmsley.com>

Date: Monday, December 15 2025 at 10:07 PM PST

Subject:

Rasool,

I'll be direct with you. I've been aggressive with the board. I've had my reasons, and I stand by what I've said. But I also recognize that makes me an unlikely person to reach out looking for dialogue.

I'm reaching out to you because you weren't part of any of this. You joined eighteen months ago to add value to a company, and instead you've inherited an accounting mess, a CFO departure, and now a proxy fight. I'm very sure that's not what you signed up for.

I'm not asking you to take my side or go against your colleagues. I know how boards work, and I know that's not a

realistic ask. But I think there's a version of this that doesn't end in a courtroom.

Rather, a version of this where the company gets stronger, shareholders are better served, and nobody has to spend the next six months in a war of attrition.

If you're willing to have a conversation, I'd welcome it. No preconditions. If you're not, I understand, and I won't bother you again.

Alexander