

# BUXTON HELMSLEY

December 31, 2025

**VIA EMAIL TO BRETT RODDA (BRETT.RODDA@BAKERMCKENZIE.COM)**

Baker & McKenzie LLP  
815 Connecticut Avenue, N.W.  
Washington, D.C. 20006-4078  
Attention: Brett Rodda

Re: Daily Journal Corporation (“DJCO” or the “Company”) – Response to Rejection of Director Nominations

Dear Mr. Rodda:

We are in receipt of your letter of December 31, 2025, rejecting our director nominations for the Company’s 2026 Annual Meeting of Shareholders. The Company’s position—that only shareholders of record as of the record date may submit nominations—finds no support in the plain text of the Company’s Amended and Restated Bylaws. We address each of your arguments in turn.

**I. THE BYLAWS DO NOT REQUIRE RECORD DATE OWNERSHIP FOR NOMINATIONS.**

You assert that because Buxton Helmsley USA, Inc. was not a shareholder of record on December 16, 2025, we have “no right to nominate directors for election at that meeting.” You call this “axiomatic.”

It is not axiomatic. It has been invented.

Article III, Section 3 of the Bylaws states:

*“All nominations for the board of directors must be made in writing and received by the secretary of the corporation no less than 10 days prior to the date of the shareholders’ meeting at which one or more directors are to be elected.”*

That is the entire procedural requirement. Two elements: (1) in writing, and (2) received at least 10 days before the meeting. Our nomination satisfies both. There is no language requiring the nominating party to be a shareholder of record as of the record date. There is no language requiring the nominating party to be a shareholder of record. Article III, Section 3, does not reference Article II, Section 11, and it does not incorporate the record date provision by any means.

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BUXTON HELMSLEY USA, INC.

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Article II, Section 11 establishes that the record date determines shareholders entitled “to notice of any meeting, to vote, or to give consent to corporate action without a meeting.” Three rights: notice, voting, and consent. Nomination is conspicuously absent from this list.

Under the principle of *expressio unius est exclusio alterius*—the expression of one thing implies the exclusion of another—the deliberate enumeration of three specific rights in Article II, Section 11, and the omission of nomination, compels the conclusion that nomination was not intended to be governed by the record date. If the drafters had intended for the record date to govern nominations, they would have said so. They knew how to tie rights to the record date; they did it for notice, voting, and consent. Their failure to include a nomination is not an oversight. It is a choice.

## **II. NOMINATION AND VOTING ARE DISTINCT CORPORATE ACTS.**

The Company may take the view that nomination is “incident to” voting and therefore implicitly governed by the record date. This argument fails for several reasons.

First, the Bylaws treat these as separate subjects. Voting is addressed in Article II (Meetings of Shareholders). Nominations are addressed in Article III (Directors). The drafters did not consolidate these provisions, and neither should the Company.

Second, nomination and voting are functionally distinct. A nomination puts a candidate’s name before the shareholders. A vote determines which candidates are elected. A nominating shareholder does not need to vote for its nominee and often cannot elect it. The value of a nomination is that it allows all shareholders—not just the nominator—to consider an alternative candidate. The nomination right is independent of the nominator’s voting power.

Third, if nomination were truly “incident to” voting, then Article II, Section 11 would have included it in the list of rights governed by the record date. It did not. The omission is dispositive.

## **III. THE COMPANY’S INTERPRETATION PRODUCES ABSURD RESULTS.**

The Company’s interpretation has practical consequences that demonstrate its unreasonableness. Consider two hypothetical shareholders:

Shareholder A owned shares from November 1 through December 10. The record date is December 16. Shareholder A sold all shares before the record date.

Shareholder B purchased shares on December 17, one day after the record date, and continues to hold shares through the meeting.

Under the Company's interpretation, Shareholder A—who has no ongoing economic interest in the Company—could have submitted a valid nomination before selling her shares, while Shareholder B—who has an ongoing economic interest and will bear the consequences of the election—cannot nominate at all.

That result makes no sense. The record date is necessary for voting because shares must be counted and weighted. It is not necessary for nominations. A nomination is simply a proposal that a candidate be considered. The Company does not need to freeze the shareholder base to accept a proposal.

**IV. THE BYLAWS COULD HAVE REQUIRED RECORD DATE OWNERSHIP— BUT THEY DO NOT.**

Many public companies explicitly tie nomination rights to record date ownership. Their bylaws state that only shareholders of record as of the record date may submit nominations, or that a nominating shareholder must have held shares continuously from the record date through the meeting date. These provisions are common and not difficult to draft.

Daily Journal's Bylaws contain no such language. The Company cannot enforce a restriction it chose not to include. If the Board believes that nomination rights should be limited to record date shareholders, the appropriate course is to amend the Bylaws—not to enforce an unstated restriction against shareholders who reasonably relied on the text as written.

This is not our first proxy contest. We have previously nominated directors and obtained board representation at other public companies, including Fossil Group, Inc. None of those companies manufactured a record date ownership requirement that appears nowhere in their bylaws. The Company's position is not standard corporate practice. It is a transparent attempt to disenfranchise a shareholder the Board finds inconvenient—and to avoid answering for the compliance failures documented in our correspondence and pending before the SEC.

**V. THE RULE 14a-19 NOTICE IS NOT DEFECTIVE.**

You also claim that our Rule 14a-19 notice is defective because we reserved the right to name additional or substitute nominees. This argument misreads both our notice and the CDI you cite.

Our December 13, 2025, notice clearly identified three specific nominees by name: Alexander Parker, Rumbidzai Bwerinofa-Petrozzello, and Weiyee In. It included detailed

biographical information and written consents for each. The notice complies fully with Rule 14a-19(b).

CDI 139.01—which you cite—states that a dissident shareholder may “name additional or alternate nominees in a later amendment to its notice, so long as the notice clearly identifies the persons who are being presented as additional or alternate nominees.” This CDI contemplates and permits exactly what we did: naming specific nominees while reserving the right to amend. The CDI does not say that reserving such a right renders the original notice defective. It says the opposite.

We also note that you cite CDI 139.04 for the proposition that only “duly nominated candidates” must appear on the universal proxy card. We agree. Our candidates are duly nominated. The Company’s invented record date requirement does not change that.

#### **VI. THE COMPANY WAIVED ITS OBJECTIONS TO THE RULE 14a-19 NOTICE.**

Your December 31 letter is the first time the Company has raised any objection to our Rule 14a-19 notice. That notice was delivered on December 13, 2025—eighteen days ago.

On December 16, 2025, in response to our follow-up inquiry, we stated in writing: “If we do not hear back by December 18, we will assume the Company finds the Rule 14a-19 notice sufficient.” The Company did not respond by December 18. It did not respond by December 19. It did not respond for two weeks. Instead, the Company:

- Received and acknowledged the notice on December 16, 2025;
- Set a record date of December 16, 2025;
- Filed multiple DEFA14A filings referencing our proxy contest;
- Issued a December 26, 2025, press release discussing our nominations; and
- Filed a Form 8-K on December 29, 2025, attaching our correspondence as exhibits.

At no point during these eighteen days did the Company assert that our Rule 14a-19 notice was defective. The Company cannot accept the benefits of engaging with our notice—setting a record date, filing proxy solicitation materials, issuing press releases—and then claim, on the eve of the shareholder list deadline, that the notice was defective all along. The Company was put on express notice that silence would constitute acceptance. It chose silence. That is a textbook waiver.

#### **VII. THE COMPANY’S PROXY SOLICITATION MATERIALS CONTAIN MATERIALLY FALSE AND MISLEADING STATEMENTS IN VIOLATION OF RULE 14a-9.**

The Company’s December 26, 2025, press release and December 29, 2025, Form 8-K/DEFA14A contain numerous materially false and misleading statements in violation of

Rule 14a-9. These violations have been documented in our December 26, 27, and 29, 2025, SEC whistleblower complaints (TCR Nos. 17668-666-546-575, 17668-125-799-623, 17535-452-459-469, and 17532-990-865-245), which the Company has received.

The false and misleading statements include, but are not limited to:

1. **False accusations of criminal conduct.** The press release characterizes Buxton Helmsley's conduct as "extortion," a "shakedown," and a "transparent hustle," and announces a referral for criminal prosecution. These characterizations are knowingly false. Our December 13, 2025, letter—which the Company itself attached to its Form 8-K as Exhibit 99.2—expressly withdrew any compensation proposal and committed to pursue board reconstitution "without regard for compensation." The Company possessed written proof that we had disclaimed any interest in compensation thirteen days before it accused us of extortion.
2. **False claim that allegations have "no merit."** The press release states that "there is no merit to any of the accusations," while the same press release admits that the Section 16(a) allegations are "true." A company cannot simultaneously admit violations are true and claim allegations of those violations have "no merit."
3. **False claim that ASC 985-20 capitalization is not "mandatory."** ASC 985-20-25-1 provides that software development costs "shall be capitalized" after technological feasibility is established. Under GAAP, "shall" denotes a mandatory requirement, not a discretionary option.
4. **False claim that Regulation S-X allegations are "baseless."** The Company's own Form 10-K admits that research and development costs are "significant"—an admission of materiality that triggers the Regulation S-X separate disclosure requirement.
5. **Misleading characterization of Form 3 filing requirements.** The press release suggests that directors who "did not own stock" were somehow exempt from filing Form 3. Section 16(a) and Rule 16a-3(a) require a Form 3 to be filed within 10 days of becoming a director, regardless of share ownership. Even a "zero shares" Form 3 must be filed.
6. **False statement that the Company was releasing "all" correspondence.** The Company's Form 8-K states it was releasing "all of Mr. Parker's recent correspondence." This is demonstrably false. The Company selectively omitted the most damaging documents, including: a) The complete Rasool Rayani email exchange (December 15-18, 2025), in which an Audit Committee member dismissed Section 16 of the Securities Exchange Act as "the flimsiest of technicalities"; b) Our December 18, 2025, letter documenting that every member of the Audit Committee has violated Section 16(a); c) Our December 22, 2025 notification to John Frank that a State Bar complaint had been filed; d) The Company's own December 24, 2025 letter rejecting our books and records demand on pretextual grounds; and e) All correspondence after December 24, 2025, including our responses to the false statements in the press release.

The Company's selective disclosure—omitting an Audit Committee member's written dismissal of federal securities laws as “flimsy technicalities” while claiming to release “all” correspondence—is a material misstatement designed to mislead shareholders evaluating this proxy contest.

7. **Rule 14a-6(b) violation.** The December 26, 2025, press release constitutes proxy solicitation material. Rule 14a-6(b) requires that such material be filed with the Commission no later than the date of first public dissemination. The Company failed to file this press release on EDGAR on December 26, 2025.

### VIII. DEMAND AND RESERVATION OF RIGHTS.

We demand that the Company reconsider its rejection and accept our nomination in accordance with Article III, Section 3 of the Bylaws. Our nomination was timely, in writing, and received by the Company Secretary. It complies with all procedural requirements set forth in the Bylaws. The Company waived any objection to our Rule 14a-19 notice by failing to respond to our December 16, 2025, communication, which stated that silence by December 18 would constitute acceptance.

If the Company does not accept our nomination and proceeds with the 2026 Annual Meeting on the basis that our nomination was invalid, we intend to file an action in the United States District Court for the Southern District of New York seeking:

1. A declaratory judgment that our nominees are duly nominated for election at the 2026 Annual Meeting under the Company's Bylaws;
2. A declaratory judgment that the Company waived any objection to our Rule 14a-19 notice by failing to respond to our December 16, 2025, communication within the stated deadline;
3. Injunctive relief requiring the Company to include our nominees on its universal proxy card pursuant to Rule 14a-19(e);
4. A finding that the Company has violated Rule 14a-9 by making materially false and misleading statements in its proxy solicitation materials, including: a. The false accusation that Buxton Helmsley engaged in “criminal extortion” when the Company possessed written proof that any compensation proposal had been withdrawn thirteen days prior; b. The false statement that the Company was releasing “all” of our correspondence when material documents—including an Audit Committee member's written dismissal of federal securities laws as “flimsy technicalities”—were deliberately omitted; c. The false claim that our allegations have “no merit” while simultaneously admitting the Section 16(a) allegations are “true”; d. The false claim that ASC 985-20 capitalization is not “mandatory” when the standard expressly states such costs “shall be capitalized”; e. The misleading characterization of Form 3 requirements as exempting directors who “did not own stock”;

5. A finding that the Company has violated Rule 14a-6(b) by failing to file the December 26, 2025, press release on EDGAR on the date of first public dissemination;
6. A finding that the Company has violated Rule 21F-17(a) by publicly accusing a whistleblower of criminal conduct and announcing a referral for prosecution in retaliation for SEC complaints;
7. An order enjoining the Company from holding the 2026 Annual Meeting until such time as it (i) accepts our nomination, (ii) includes our nominees on its universal proxy card, and (iii) makes corrective disclosure to shareholders;
8. An order requiring the Company to distribute to shareholders the correspondence it omitted from its DEFA14A, including the complete Rasool Rayani email exchange and documentation that every Audit Committee member has violated Section 16(a); and
9. Such other relief as the Court deems just and proper, including attorneys' fees and costs.

**To be clear:** if the Company files a definitive proxy statement that excludes our nominees from the universal proxy card, or that contains the false statements enumerated above without corrective disclosure, we will immediately seek a temporary restraining order and preliminary injunction to halt the proxy solicitation. We will not wait until the Annual Meeting to vindicate our rights.

We believe our legal position is strong. The text of the Bylaws supports our interpretation. The Company waived any objection to our Rule 14a-19 notice. The Company's false statements to shareholders are documented in SEC filings that the Company itself prepared and in whistleblower complaints that the Company has received. The Company was warned of these falsities before filing its December 29, 2025, DEFA14A, yet it filed it anyway.

We also note that this determination will be made by a court, not by the Company. The Company cannot be the final arbiter of its own bylaws when that interpretation conveniently excludes a shareholder seeking to hold the Board accountable for documented securities law violations. And the Company does not get to knowingly make false statements to shareholders in proxy solicitation materials and then claim that the resulting proxy vote is legitimate.

Nothing in this letter constitutes a waiver of any right or claim. We expressly reserve all rights available under applicable law.

Respectfully,



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

Enclosure: Evidence of Beneficial Ownership (Only for Buxton Helmsley USA, Inc.)

cc: John B. Frank, Audit Committee Chair, Daily Journal Corporation

Board of Directors, Daily Journal Corporation

Brian Cardile, Corporate Secretary, Daily Journal Corporation

Baker Tilly US, LLP

2040 Main Street, Suite 900

Irvine, California 92614

Attn: Daily Journal Corporation Audit Engagement Partner

Daily Journal Corporation Audit Quality Review Partner