

Newtek: A Minimum Dividend Cut Of 40%

Aug. 03, 2021 12:41 PM ET | NEWT, NEWTL... | BIZD, MAIN | 328 Comments | 67 Likes

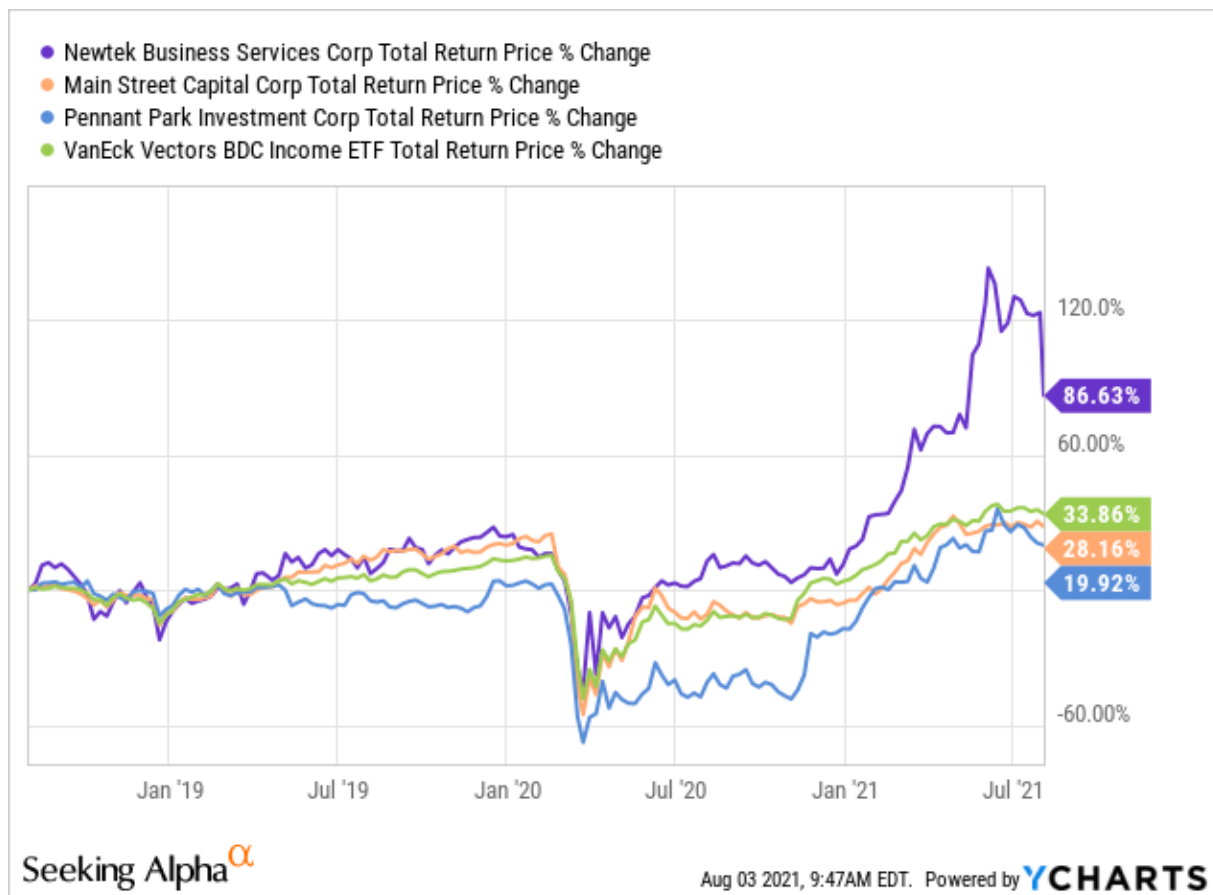
Summary

- Newtek has been one of the best performing BDCs since the pandemic.
- The stock has been bolstered by a generous dividend and rapidly expanding valuations.
- The company decided to move into banking and made an acquisition.
- We tell you what this means for the dividend.
- I do much more than just articles at Conservative Income Portfolio: Members get access to model portfolios, regular updates, a chat room, and more. [Learn More »](#)



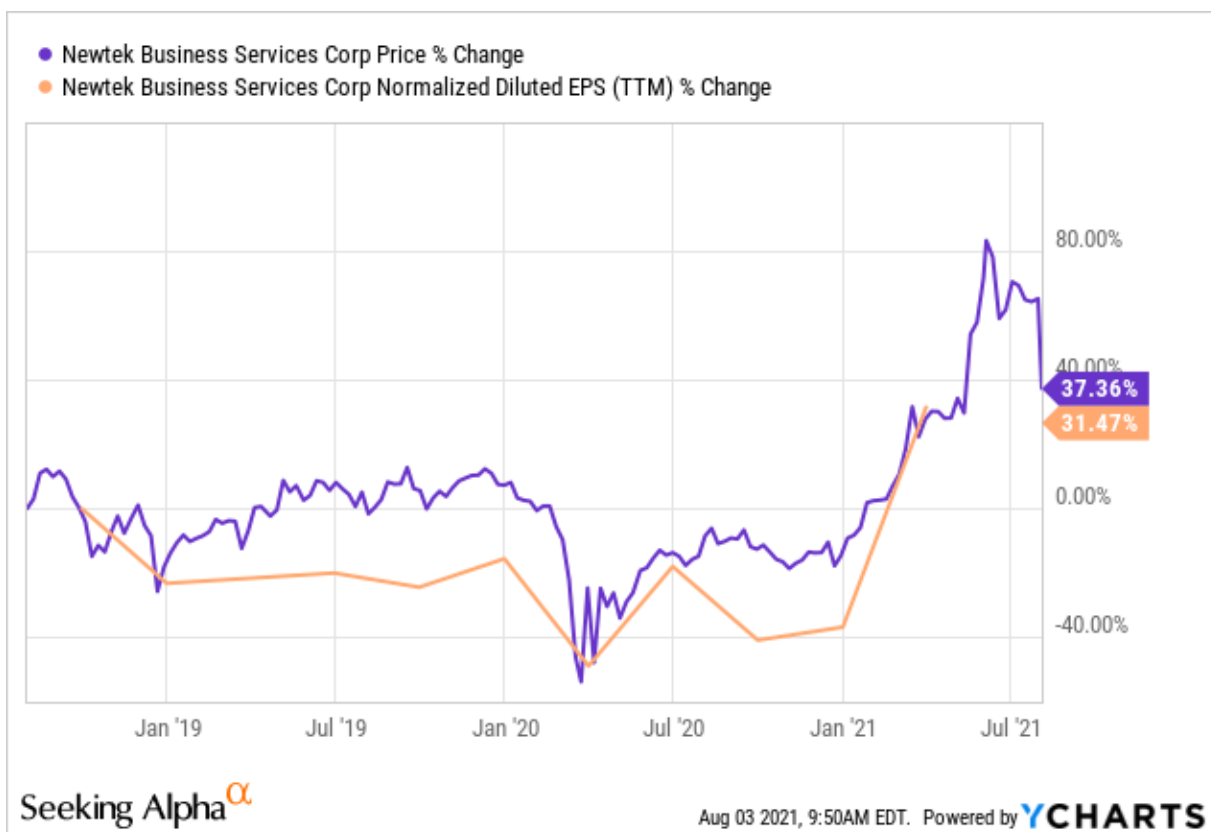
simon2579/iStock via Getty Images

Newtek Business Services Corp. ([NEWT](#)) has been one of the best-performing stocks since the pandemic. Over the last three years, it has delivered a total return of 86.63% (as we type this) and that has come ahead of the BDC index ETFs ([BIZD](#)) as well stalwarts like Main Street Capital Corp. ([MAIN](#)).



Data by YCharts

Driving this phenomenal return are two aspects. The first was the Payroll Protection Program or PPP, which NEWT was a prime beneficiary of. Normalized EPS (trailing 12 months) has climbed steadily and that obviously has helped.



Data by YCharts

This has allowed NEWT to boost dividends and guide for over \$3.00 in dividends for 2021. That is exceptional news for the income investor. But alongside that, investors have lost track of the bigger picture. With NEWT making a rather drastic change to their strategy, we thought it would be a good time to visit the dividend expectations.

The Acquisition

While investors have been basking in the dividend story, NEWT threw a wrench in the works with the decision to acquire [National Bank of New York City](#).

Why National Bank of New York City?

We expect that the Acquisition will create the opportunity for:

- 1 A Federally chartered institution enabled to take deposits, as well as make loans in all 50 states (we currently make loans in all 50 states)
- 2 NBNYC to integrate into the Newtek infrastructure due to its size and strong capital base, and relatively low overhead
- 3 The addition of bank-quality assets diversifies the risk profile of Newtek's portfolio of loans
- 4 Ability to maintain New York as a key operating branch which is one of the top four states in the United States for economic strength and growth
- 5 We intend to move NBNYC's headquarters to Florida, where it would continue to operate as a nationally chartered institution in conjunction with the current headquarters of Newtek
- 6 Potential to open additional bank branches with minimal real estate footprint and expense structure but in strategic locations for commercial clients in Texas, Florida and California, in addition to its existing market position in NY, subject to bank regulatory approval



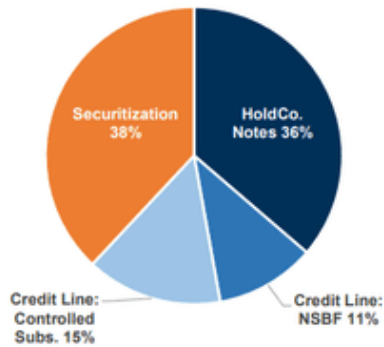
Source: [Newtek](#)

The key rationale here that NEWT put forth was that it would lower its cost of funds in the long run.

Bank Platform to Facilitate Remixing of Funding Toward Low Cost Relationship Deposits

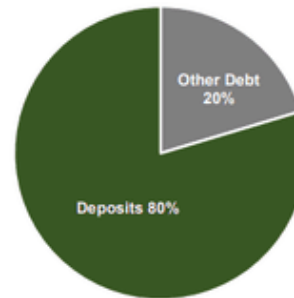
Interest Costs Expected to Improve As Funding Mix Shifts Towards Internet Deposits, With a Longer Term Shift Toward Relationship Deposits

Current Funding Mix⁽¹⁾
BDC Structure



Estimated Weighted Average Cost: ~3.8%

Illustrative Shift In Funding Mix⁽²⁾
FHC Structure – 3-4 Years Out



Potential Weighted Average Cost: ~1.2%



(1) As of March 31, 2021

(2) Projected and illustrative - No assurance the potential funding mix will be obtained, see also Special Note Regarding Projected Financial Information on p. 22

Source: Newtek

It was also allowed some great cross-selling of products that NEWT is well known for.

Newtek's Technology Platform

Wide Array of Tech-Enabled Business Services to Complement Banking Products¹

LENDING SOLUTIONS

PAYROLL SOLUTIONS

ELECTRONIC PAYMENT SOLUTIONS

INSURANCE SOLUTIONS

TECHNOLOGY SOLUTIONS



Newtek

¹Newtek's wholly owned non-consolidated portfolio companies will need to be reviewed for BHC Your Business Solutions Company' permissibility.

11

Source: Newtek

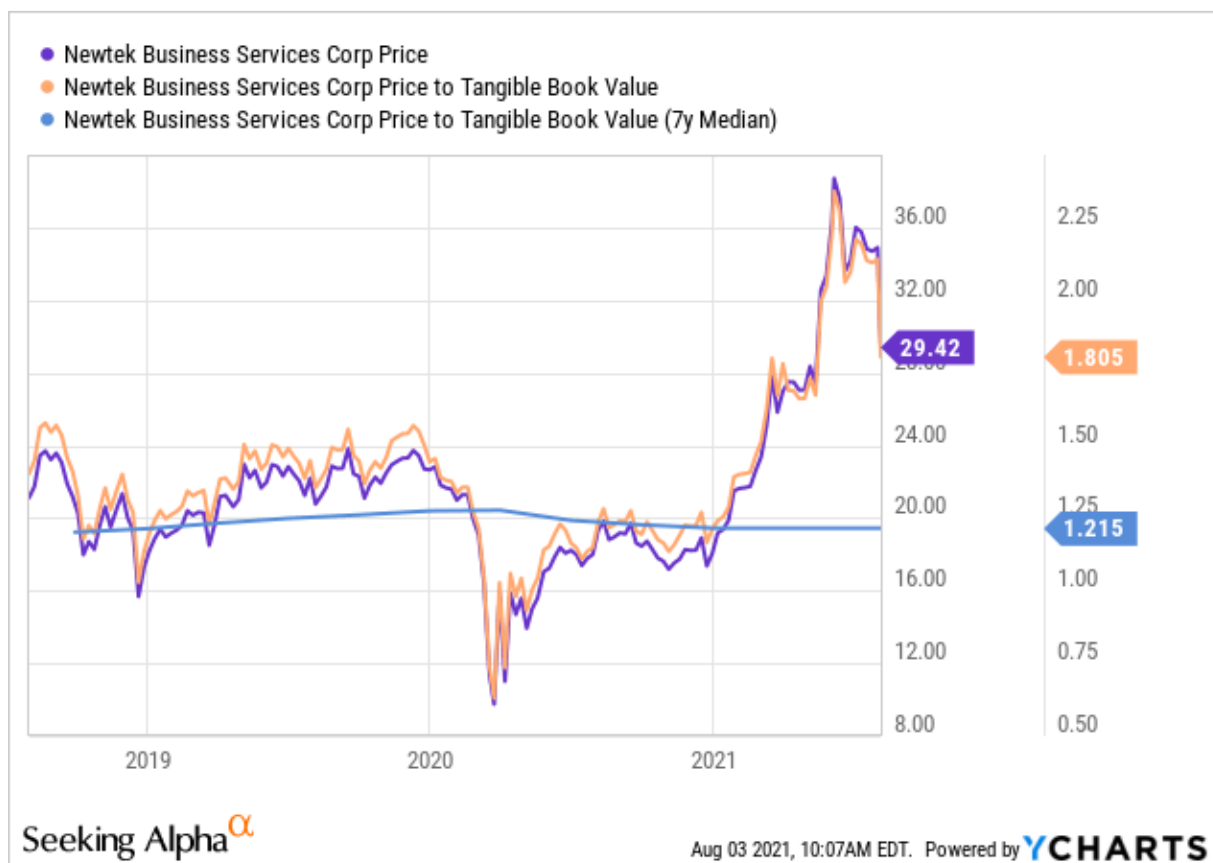
Our Thoughts

NEWT moving into banking is a mixed bag of sorts. Since it won't be a business development corporation anymore, it won't have to pay 90% of its income in dividends. That would allow it to retain equity for growth and expansion. Of course, a dividend cut does not ever go down nicely for investors. One aspect here that we believe almost everyone is missing is that 2021 was an unusual year and was not likely to be repeated. Even analysts, who are generally an optimistic bunch, were expecting earnings of far below 2021 levels for the next 2 years.

Fiscal Period Ending	NII Estimate	YoY Growth	Forward PE	Low	High	# of Analysts
Dec 2021	3.23	57.56%	10.71	3.10	3.36	4
Dec 2022	2.25	-30.34%	15.37	2.20	2.29	3
Dec 2023	2.28	1.33%	15.17	2.28	2.28	1

Source: [Seeking Alpha-Newtek Analyst Estimates](#)

A realistic level of dividend policy would require closer to \$2.00 a share for 2022 and 2023. So a 40% dividend cut was baked in if you just accounted for the "on-off" nature of this year's earnings. If you apply a realistic 8% yield requirement, you get to share price of \$25 for NEWT. Keep in mind also that NEWT was already trading at a ridiculous price to tangible book value multiple. The 7-year median here is 1.21X and that would suggest some severe downside to \$21 a share.




Data by YCharts

Of course, at this point, it is unclear whether NEWT will behave more like a BDC or a bank when all is said and done. ***Most regional banks pay less than 40% of their earnings in dividends and that might argue for an annual dividend of \$1.00 per share.*** That would be quite the resounding cut for investors thinking that \$3.00 per share was the new normal. Again in that new sector comparison, NEWT's \$1.00 might require a 4% yield to get investors interested and that gets us right back to \$25.00.

Verdict

We await guidance from the company as to where this is going in the longer run. The companies that BDCs lend to, most often don't fit with the normal banking model. How the regulatory hurdles play out if this conversion happens will be of great interest. But even outside this move, NEWT was primed for a drastic dividend cut and anyone following the estimates could easily see that. We don't like the valuation here and would only consider this a "buy" at under 1.2X tangible book value. For more optimistic investors we suggest selling the March 2022 \$25 Cash Secured Puts for \$3.00.

CASH SECURED PUT SNAPSHOT	
<i>**values per contract**</i>	
Strike price	25.00
Cash required to purchase 100 shares	2,500.00
Cash Premium	300
Net cash outlay	2,200.00
Dividends expected [Nil for CSP]	0.00
Total return (\$) if the stock closes at the strike or higher by expiration	300.00
Option initiation date	Aug 03 2021
Expiration date	Mar 18 2022
Time to expiration [days]	227
Total percentage return	13.64%
Total percentage return - annualized	21.99%
Calculate	Reset
	

Source: Author's App

That gets us a nice annualized yield to put in the bid at a more realistic buy price.

Please note that this is not financial advice. It may seem like it, sound like it, but surprisingly, it is not. Investors are expected to do their own due diligence and consult with a professional who knows their objectives and constraints.

Are you looking for Real Yields which *reduce*

portfolio volatility?

Conservative Income Portfolio targets the best value stocks with the highest margins of safety. The volatility of these investments is further lowered using the best priced options. Our Cash Secured Put and Covered Call Portfolios are designed to **reduce volatility** while generating **7-9% yields**. We focus on **being the house** and take the opposite side of the gambler.

Learn more about our method & why it might be right for your portfolio.



CONSERVATIVE INCOME PORTFOLIO
~LIMITED TIME OFFER~
10% OFF THE ANNUAL MEMBERSHIPS

This article was written by



Trapping Value

27.71K Followers

Author of **Conservative Income Portfolio**

The best way to provide income in today's markets while reducing risks

Disclosure: I/we have no stock, option or similar derivative position in any of the companies mentioned, and no plans to initiate any such positions within the next 72 hours. I wrote this article myself, and it expresses my own opinions. I am not receiving compensation for it (other than from Seeking Alpha). I have no business relationship with any company whose stock is mentioned in this article.

67 Likes

328 Comments

Comments (328)

Sort by

Newest



Kurt Licherovsky

Yesterday, 11:02 AM



Comments (3.36K) | + Follow

NEWT is not dipping. I started loading up yesterday and today in the 29's.

Worrying about a dividend cut that may or may not occur is very smart.

AHAHAHAHAHAHAHA.....especially when that dividend which is allegedly going to be cut is going to increase 15% next quarter.

Don't tell anyone but the insider buying at NEWT is 100% skewed towards buying. Don't invest like me. I invest in high yield risky stocks.

Reply Like



Kurt Licherovsky

31 Aug. 2021, 12:24 PM



Comments (3.36K) | + Follow

NEWT is not dipping. I'm buying anyway. Looks like NEWT's price is going to land in the 30's. The dividend is drawing in popularity into NEWT shares. The yield is over 12% and the next quarterly dividend should exceed or equal \$1.05 and the annualize yield on that div should exceed 10% guessing at a \$40 stock price in December. Stop buying NEWT. Let NEWT dip, I want to buy in the 26's and 27's again.

Reply Like



Sartre

31 Aug. 2021, 4:41 PM



Comments (1.98K) | + Follow

[@Kurt Licherovsky](#) The light that is illuminating a \$40 price is a train coming directly at you...:-)

Reply Like (1)



Kurt Licherovsky

Yesterday, 11:18 AM



Comments (3.36K) | + Follow

[@Sartre](#) Very funny. I'm looking for the Money Train. It's called the BHC Train. In 2023 NEWT will be a BHC and the stock price will double from from 2021. Sell your shares if you own any.

Hello, NEWT is already a successful money lender and now they own a bank with a direct pipeline to the Fed to borrow money at less than 1%. It's happening NEWT owns a bank.

Going forward, whatever NEWT wants to do I'm in. Have fun, hate on NEWT, miss the forest by looking at trees. Sell your shares if you have any.

Worry about 40 cents today when you should not worry about owning a \$50 stock in 2023. Go ahead be pennywise, and I'll be pound foolish. Don't invest like me. I know nothing. Very funny. *(edited)*

Reply Like



Sartre

Yesterday, 5:44 PM



Comments (1.98K) | + Follow

[@Kurt Licherovsky](#) Relax! A little irony regarding counting our chickens before they hatch. By the way, I have three full positions and looking to get out of two positions soon. When I read your post I thought of the mistake many researchers, investors, students, etc. make: they interpret the phenomenon before it fully shows itself. Too much anticipation of a big win in your post before you have any idea how the new model NEWT wants to implement is even fully described and even close to being actualized.

Reply Like



cjk4-63

30 Aug. 2021, 9:40 AM



Comments (178) | + Follow

This has rallied back up toward former support around \$29. If you are long, you want to see newt regain this support level and not have it turn into resistance and then fall below recent lows, perhaps into mid to high teens. *(edited)*

↩ Reply 👍 Like (2)



wsoyke

22 Aug. 2021, 2:24 AM



Comments (1.97K) | + Follow

Just thinking out loud here, not making a point for or against NEWT's plan.

As a BHC they would continue all of their present lending and business services activities, but with a lower cost of capital? As a BHC, would their addressable market increase for those?

As a BDC, most funds cannot invest, but they could invest as a BHC. Index funds would have a weighted mandate of shares to buy. Increased demand, increased share price pressure? On the other hand, many seeking high dividends would exit? Total return investors may enter.

As a BHC they are not required to distribute 90% of their income. Lower dividend, but earnings retained to reduce cost of capital or invest in growth. Might that lead to share price appreciation?

As a BHC could they expand to be a nationwide online bank and banking services resource for small to mid size businesses. If so, does this expand the TAM exponentially?

As a BHC would they have similar advantages over other BHC as they have in the BDC space?

Can NEWT management execute on this transition if approved by all? I would think that they could.

I would be grateful for any thoughts on my reasoning here.

↩ Reply 👍 Like (1)



techniumunlimited

22 Aug. 2021, 8:49 AM



Comments (35) | + Follow

[@wsoyke](#) Not sure if you've noticed, but, banks typically haven't been "growth" businesses in a long while

Reply Like (2)



ckarabin

22 Aug. 2021, 8:53 AM



Comments (18.15K) | + Follow

[@techniumunlimited](#) Maybe you have noticed that NEWT is a growth company even while having those handcuffs on of having to pay out all that capital and thus starving growth. Think of what they will do without the handcuffs.

Reply Like (4)



ckarabin

22 Aug. 2021, 8:57 AM



Comments (18.15K) | + Follow

[@wsoyke](#) I agree with your reasoning. NEWT has done fairly well even with being required to remove so much capital from their business via payouts. Now they lose those handcuffs. Besides, let's say that they DON'T find opportunities to retain and invest that saved dividend capital.....then wouldn't they just return to paying it out as dividends? The issue here is what the profitability fo the firm is because if it produces cash flow, then it will create shareholder value either as retained for growth or paid out as dividends. What people SHOULD be asking if whether becoming a bank holding company will add or subtract from NEWT's current competitive advantages. The company seems very optimisitic that thie IMPROVES their ability to produce cash flow.

Reply Like (2)

[See More Replies](#)



WCM Investments

20 Aug. 2021, 11:16 PM



Comments (309) | + Follow

We've been writing puts on NEWT since the fall Aug 2. All between 24.5%-123% annualized returns. We are long NEWT, especially because they bought a bank. When your net cost on NEWT is \$19, you go long!

Reply Like (1)



Kurt Licherovsky

19 Aug. 2021, 12:33 PM



Comments (3.36K) | + Follow

The volume in NEWT is pathetic, no conviction. I put a buy order at 26.5 the low of the day, I also put a buy order in at 26.65 and I already have a fill at 26.90.

My 26.65 filled and if my 26.5 fills I'll have maybe bought the low of the day and maybe the price goes lower. My cost basis is lower.

Don't invest like me. I've been punched in the face investing like this. Don't YOLO. The current volume is 94,800, that's light. The sellers of NEWT today are more plentiful but they are few in number. The only buyers today are the bargain hunters like me.

Reply Like



Charles M.

20 Aug. 2021, 7:53 AM



Comments (715) | + Follow

[@Kurt Licherovsky](#)

its like trying to catch a falling knife. But the fundamentals are good , especially for a dividend harvester for the next 2 quarters maybe more.

I expect it to be oversold then have a bounce and level out.

The Author here Trapping Value writes for long and short term investors. But what I am beginning to learn there is no Swan stocks, you need to monitor your investments in short, no passive investing.

In retirement you have the time to do this but I also understand for some its tiring to be actively monitoring your investments.

Things change. My parents generation held ATT , XOM stock but look at them now. There are people now who hold COST, TGT, AMZN that think they are great stocks but they are for growth not dividends. At some point the growth slows down.

NEWT still has a good dividend for now and may in the future, but the people who manage it know that to continue to survive and grow they need to change.

As this company goes through different cycles it may be worth it to follow. but get on and off the train as it travels. Who knows? it may be the next GS or WFC or BAC all of whom have been around over 100 yrs

But even those companies share price and dividend have changed during those years.

↪ Reply 👍 Like (3)



Kurt Licherovsky

21 Aug. 2021, 5:49 PM



Comments (3.36K) | + Follow

[@Charles M.](#) You're saying we have to study stocks all day and stay attached to the ones you own.

I have a long history with NEWT which makes it easy to put in a buy order for NEWT upon discovery of good NEWT news. Reading NEWT declared a 90 cent dividend prompted a buy order for NEWT. I'm still adding on dips into the 26's. .

(edited)

↪ Reply 👍 Like (2)



Charles M.

21 Aug. 2021, 6:42 PM



Comments (715) | + Follow

Kurt in this case I am saying I Like internally managed companies so there is no incentive to charge excessive management fees. I am impressed this company sees the future as getting into banking even with the rules and regulations there is support more so for a bank than a BDC

They found a small bank that has a federal charter meaning they can expand outside NY and 49 mil seems a good price. I like in the meantime that they pay a good dividend as a BDC and have to have the 200% asset coverage as required by the 1940 act. The NAV may have been excessively out of wack but that was also due to investors bidding the price up too high.

The author said a better price on the stock with NAV is in the 25.00 range but that doesn't take into account the dividend which should demand a premium and the company can grow and bring the NAV in line.

For investors getting in now you can collect 2 quarters of nice dividends. After that my crystal ball is hazy. Next year I would prefer to revisit them in 6 months to a year after the conversion to a bank to see how they are doing at that time. JMTC I see the dividend supporting the stock price .

Also the quarterly report in Nov. will tell how they have done all year and shine some light on end of year and into 1st quarter of the next.

I don't watch my SCE-PH , CUBI-E, or BRG-PD every day

But I do my MPLX, HEP, and KNOP and a few others and I move in and out depending on market conditions and dividend dates.

Disclosure, I own 900 shares of NEWT as of Fri. Aug 20th and may sell or buy more depending on the market.

Reply Like (1)



ckarabin

17 Aug. 2021, 7:02 AM



Comments (18.15K) | + Follow

So what if they cut the dividend by 30%! Why should the stock sell for an 8% yield if it is a bank? I'm looking here at the stocks of several banks and I see dividend yields of 2-3%, suggesting that a bank should sell for 30-40x dividend. Even if they DID reduce their dividend to only a dollar, that means the stocks has UPSIDE to the 30's. Let's the dividend players sell their stock, thus giving us the bargain price opportunity, then we buy down here and mop up when the selling quells down.

↪ Reply 👍 Like



johnkeenan

16 Aug. 2021, 2:25 PM



Comments (19) | + Follow

If you aren't ok with having just lost 7 points of market value plus the reduced distributions to come, you should NOT "Vote No" but rather NOT VOTE AT ALL. Here is the logic -- this management needs to achieve 2 things to be able to convert from a BDC --both a quorum and then beyond that, the "yes" approval. The odds are that management already feels they will have the "yes" numbers since people just blindly follow whatever management wants on these things. What the real choke point will be if enough people vote either way for them to achieve a quorum -- no quorum means the BDC format stays in place. Thus -- if you vote, your vote just counted for them achieving a quorum and if your real intention was to be a "no voter" then you have just uncut what you wanted to do.

↪ Reply 👍 Like (2)



tmrf08

16 Aug. 2021, 2:58 PM



Comments (173) | + Follow

[@johnkeenan](#) I was under the impression if you don't vote it automatically reverts to management???? When is the vote scheduled?

↪ Reply 👍 Like



johnkeenan

16 Aug. 2021, 4:43 PM

Comments (19) | + Follow

@tmrf08 nope. It only becomes management choice if you give them your proxy. Not reaching quorum will probably lead them to adjourn and reschedule the meeting. Not privy to when the proposal is put before the stockholders.

↩ Reply 👍 Like



mslasky

15 Aug. 2021, 1:16 PM

Premium Comments (448) | + Follow

Some logical speculations:

1. If their stated goals (that I interpret to mean - leverage their BDC portfolio with Fintech) need them to become a bank holding company (not exactly the same as a chartered bank).
2. And, if the shareholders approve, they're on their new path to make money via capital gains (hopefully).
3. Buying NEWT after the decline due to disappointing current shareholders expectations of yield, with the expectation that it would rise quickly again, if the vote is No, and it remains a BDC.

Disclosure - I purchased after the stock decline. Looking forward, the stock has a path to rise whether or not the proposal is yea or nay.

↩ Reply 👍 Like



Jcb331

14 Aug. 2021, 12:45 PM

Premium Comments (643) | + Follow

NEWT is a perfect setup for PUT options. \$30 strike for 9/17 @ \$4.90. 16% 30 day trade.

↩ Reply 👍 Like



Kurt Licherovsky

13 Aug. 2021, 12:56 PM



Comments (3.36K) | + Follow

No drastic dividend cut is imminent, that's baloney! Oct 1 of 2022 is the soonest NEWT could operate as a BHC. The next div is estimated to be \$1.05. Management is solid and transparent. The forthcomingness and candor from management about their dividend is GOOD. OMF is another mgmt with stellar transparency and candor about their dividend.

↪ Reply 👍 Like (3)



atpalha

29 Aug. 2021, 7:21 PM



Premium

Comments (238) | + Follow

@Kurt Licherovsky that's interesting. Can you share your basis for this statement regarding the dividend? I'm guessing it has to do with the regulatory and approval process? Thanks.

↪ Reply 👍 Like



Kurt Licherovsky

13 Aug. 2021, 11:54 AM



Comments (3.36K) | + Follow

Trading in Newt stock is heating up, my 28 buy order filled and the stock price moved up to \$28.20. We are bouncing. Good sign. The gain in NEWT may evaporate by the close. Don't give up on buying in the 27's or 26's. Stocks will behave like crap.

↪ Reply 👍 Like (1)



Fi-Gal

16 Aug. 2021, 3:11 PM



Premium

Comments (1.74K) | + Follow

@Kurt Licherovsky

You must have bought my \$28 sell order! Still 1,000 shares to go (cb: 37-38)
yes I'm one of those late buying fools....

Anyway, can use some losses this tax year.

What is your projection going forward? Are you buying for Cap gains or income?
Or options?

↪ Reply

👍 Like



Charles M.

18 Aug. 2021, 9:57 AM



Comments (715) | + Follow

@Fi-Gal

A lot of people bought at the top of the curve. For others that buy at the bottom there is the .90 cent divy that can be collected in a month and the one after that. Nothing has changed "YET" on the fundamentals of this BDC. Trapping value has a good point but its a whole year in the future and a lot can happen between then and now. Your better to cost average your shares and look at breaking even, not accepting a loss.

↪ Reply

👍 Like (1)



Kurt Licherovsky

19 Aug. 2021, 12:14 PM



Comments (3.36K) | + Follow

@Fi-Gal If you can, I would average down and buy today's dip with both hands and lower your cost basis. NEWT is a stock you can bank on. Newt has already announced the next dividend will be in the \$1.05 range.

Today I bought NEWT @ 26.90 which combined with my 28 purchase lowers my cb into the 27's. It might be a crappy buy because NEWT is at 26.65, but the volume is pathetic at less than 100K.

↪ Reply 👍 Like



Kurt Licherovsky

13 Aug. 2021, 11:36 AM



Comments (3.36K) | + Follow

Yikes, the volume doubled in the last hour and made a new high to 28.48, that's aggressive buying. I put in another buy at 28, maybe 28 will be the new low.

I'm guessing and estimating my NEWT purchases and price points. I've been punched in the face like everyone else. Keep a safety nest and don't YOLO.

Great companies have crappy stock days called dips. I'm using the next month watching for crappy stock days hoping to find good dips in NEWT stock price.

↪ Reply 👍 Like (1)



Kurt Licherovsky

13 Aug. 2021, 11:16 AM

Comments (3.36K) | + Follow

I now think of NEWT as a Bank/BDC similar to JPM, BofA, WFB, APO. NEWT is GOOD at BDC and risk management. I'm playing the trust card.

The current div is 90 cents, the next div to be paid in Dec is already at 1.05 and could go higher. I'm hunting for dips.

Yikes, I was hunting \$27.50, NEWT is \$28.28. The NEWT news is traveling. We are making higher lows and higher highs. The dips are holding at \$27 for now. The 28's are trying to be the new lows.

↪ Reply 👍 Like (1)



Jcb331

13 Aug. 2021, 11:26 AM

Premium Comments (643) | + Follow

@Kurt Licherovsky yesterday I sold (5)NEWT CSP PUTs 9/17 \$30. @\$4.90. Break even at \$25.10. Already up 40% in value.

↪ Reply 👍 Like (1)



stuthespaceman

12 Aug. 2021, 1:29 PM

Comments (29) | + Follow

Did NEWT not announce a 30% increase in their dividend

↪ Reply 👍 Like (1)



Trapping Value

13 Aug. 2021, 10:12 AM

Marketplace Contributor **Premium** Comments (23.45K) | + Follow

Author's Reply @stuthespaceman Did you not read the article?

↪ Reply 👍 Like



stuthespaceman

14 Aug. 2021, 7:11 PM



Comments (29) | + Follow

@Trapping Value I read the big bold headline of a minimum cut. Then skim read your article

↪ Reply 👍 Like



surfgeezer

11 Aug. 2021, 3:00 PM



Comments (15.7K) | + Follow

@Trapping Value Well, I just finished listening to that very long earnings call with a secondary presentation on their proposal. Sloan is a good salesman, no doubt about that. Some very good questions from analysts also.

That said I am still holding pretty much tight (including the Calls already sold) at least until we get more clarity on future div expectations in 30-45 days. Partial good news is they expect Q1 of 2022 to still have some BDC fairly high payout. After that....., we will see what their guestimate is in 30-45 days. My cost is at book value now anyway with the quarters bump to NAV.

I usually require a 5% YOIC minimum and that requires me to believe in a strong DGR. He makes a good case for the strong DGR IMO but I am still going to vote No on the conversion without that forward looking div coming in at least 1\$ (interesting I made that conclusion and then relooked at your number and we again match). Knowing I usually lose on shareholder votes (Wall St revolves around Total Return's imaginary gains/wealth and AUM), I will boost the div by selling Calls if they do not predict 1\$ starting in 2023 without BDC contribs like 2022 will have from 1st quarter. Not DRIPing future cash until it's straightened out.

↪ Reply 👍 Like (2)



Moderation 10 Aug. 2021, 8:41 PM



Comments (2.27K) | + Follow

I have whiplash. Calling my attorney.

↪ Reply 👍 Like (1)



jballbt

10 Aug. 2021, 6:08 PM



Premium

Comments (11) | + Follow

Happy to see it going back up to \$27 in early afterhour trading this evening due to the \$.90 div announcement that came out. I'm holding on to see where this goes. Even with an eventual dividend drop I think there is plenty of growth available for investors to enjoy should the change be approved. I know last week was scary for many of us but seems too early to jump ship just yet unless you were lucky at timing the market.

↪ Reply 👍 Like



Kurt Licherovsky

10 Aug. 2021, 8:09 PM



Comments (3.36K) | + Follow

[@jballbt](#) Buying the bank was genius, it's the data and immediate entry into digital finance, crypto currency and more. The NEWT story is only beginning.

↪ Reply 👍 Like (4)



ESP equity research 10 Aug. 2021, 5:44 PM



Contributor

Comments (6.04K) | + Follow

This article did not age well!

ESP

↪ Reply 👍 Like (2)



Trapping Value

10 Aug. 2021, 6:18 PM



Marketplace Contributor

Premium

Comments (23.45K) | + Follow

Author's Reply @ESP equity research Oh? What part? The neutral rating or the fact that they would cut the dividend by 40% IN 2022? Or the part that you should try and make money with \$25 CSP? I would have expected to a contributor to have a modicum of restraint before such rash comments.

↪ Reply 👍 Like (4)



ESP equity research

10 Aug. 2021, 7:21 PM



Contributor

Comments (6.04K) | + Follow

@Trapping Value ;

"I would have expected to a contributor to have a modicum of restraint before such rash comments"

OK - I was just trying to keep it fun! I apologize for my rash behavior...

ESP

↪ Reply 👍 Like (2)



Trapping Value

10 Aug. 2021, 7:25 PM



Marketplace Contributor

Premium

Comments (23.45K) | + Follow

Author's Reply @ESP equity research Cool. Have a wonderful day!

↪ Reply 👍 Like (1)

[See More Replies](#)

M

Michael123a

06 Aug. 2021, 2:46 PM



Premium

Comments (453) | + Follow

The comment, allegedly stated by Barry that paying out 90% of income to shareholders was just so unsatisfactory is telling.. Telling about the future of the dividend and the company.

↪ Reply 👍 Like (9)



BLS NE

09 Aug. 2021, 10:42 AM



Premium

Comments (63) | + Follow

@Michael123a Concur...anytime I see strong evidence management's interests are not aligned with shareholders, that company is dead to me. So long NEWT.
(edited)

↪ Reply 👍 Like (8)



Fwc3030

09 Aug. 2021, 10:51 AM



Premium

Marketplace

Comments (192) | + Follow

@Michael123a You are correct. Makes one wonder about why the heck he became a BDC in the first place? Also, in my judgement, questions the character (or lack thereof) of the man and management team, especially the stealthy way this was pulled off without shareholder knowledge.

↪ Reply 👍 Like (3)



gardesign

14 Aug. 2021, 11:44 AM



Marketplace

Comments (456) | + Follow

@Fwc3030

"especially the stealthy way this was pulled off without shareholder knowledge."

They do have some very large shareholders that are part of management, imagine the leap of faith it would take to slash the dividend of your own holdings.

[finance.yahoo.com/...](#)

↩ Reply

👍 Like

[See More Replies](#)