



GREENWICH INVESTMENT RESEARCH

For more information about Greenwich Investment Research or a free 30-day trial of the service, please contact

Chuck Hanabergh at
201-995-9005 or
chuck@hanabergh.com.

Greenwich Investment Research is an independent, value-based investment research service used by institutional and accredited investors. We produce three research products:

- ***Hackett's Special Situation Report*** identifies and explains outstanding investment opportunities; accordingly, investment positions are consistently contrary to conventional wisdom at the time they are published. Special situation reports are distributed to clients as opportunities are uncovered, typically 2-6 times per year.
- ***Absolute Values*** identifies and explains sub-working-capital and/or low-multiplier investment opportunities that fall short of our special situations' hurdle but are prudent investments.
- ***The Thoughtful Skeptic*** is published on weeks in which we do not publish one of our other reports and summarizes investment opportunities researched and discarded.

What We Do

Our Research Methodology Includes:

1. Identifying potential actionable valuation anomalies through extensive reading and active stock-screening. Companies studied typically have equity market capitalizations between \$500 million and \$2 billion.
2. Achieving a thorough understanding of the financial statements, governance practices, business economics and valuation of investment candidates. The goal at this stage is to identify all the risks entailed in a particular investment.
3. Conducting extensive primary research when appropriate e.g., interviews of sales channel participants, competitors, suppliers and customers.
4. Developing inferences from data through the application of first principles.
5. Because the emphasis is on capital preservation, we aggressively look for reasons not to invest. The firm invests its own capital in every recommended transaction.

The objective of our research is to move the investment process from *decision making under uncertainty* past *decision making under risk* toward *decision making under certainty*.

Background

Chris Hackett founded Greenwich Investment Research in December 2001 to provide independent, value-based, investment research to institutional and accredited investors. Prior to founding Greenwich Investment Research, Chris coauthored a case on *Qwest Communications* and a white paper on *Net Market Makers*, both published by Harvard Business School Publishing. *Net Market Makers* is also included in a book, *Internet Business Models*, published by McGraw-Hill/ Irwin.

Earlier in his career, Chris worked for Access Industries, an investment company which successfully acquired Russian businesses. Return on invested capital was extraordinary; Access became the second largest aluminum producer in Russia and the sixth largest in the world.

Chris started his career at Jenkins Equipment where he sold industrial equipment; customers included Procter & Gamble, General Electric, General Motors and Mead Paper. He earned a B.A. from Albion College in 1982 and an M.B.A. from Harvard Business School in 1990.

Sample Reports

The Thoughtful Skeptic
Greenwich Investment Research, Inc.
October 18, 2010

www.hacketts.com

We have recently returned to H&R Block, Inc. (HRB) which we initially brought to your our 10/30/09 Thoughtful Skeptic. This is the third time we have studied HRB since 2004 years ago we were put-off by HRB's mortgage business (rightly so). A year ago, we (wrongly, as it turns out) that their mortgage exposure had been "zeroed-out" (more or but we were concerned about the competitive landscape of their industry (rightly so).

In the intervening twelve months, HRB shares have lost 36% of their value and may be purchased for \$11.45 as of this writing. At this price, HRB appears to be trading at 3.6 EBITDA (with a conservatively capitalized balance sheet) and 7.1x fully taxed free cash business generates extraordinary returns on capital and Jackson Hewitt Tax Service, traditionally thought to be HRB's primary competitor, is currently in default on some of. Despite these encouraging facts, we do not plan to buy shares in HRB; our analysis is:

H&R Block, Inc. (HRB)
Henry and Richard Bloch founded HRB in 1955 and took it public in 1962. HRB opera segments: tax preparation (78% of fiscal 2010 revenue and 90% of 2010 earnings) an financial/accounting services which HRB provides to small businesses. The following summarizes HRB's current capital structure and valuation:

(000 except share price and dividend)	
Shares outstanding, 8/31/10	308,514
Options, 4/30/10	15,980
Nonvested shares and performance nonvested share units, 4/30/10	1,619
Options & restricted shares granted during 3 ME 7/31/10	1,045
	326,260
Share price, 10/18/10	11.45
Market capitalization	3,735,978
Cash, 7/31/10	1,155,619
Operating leases, 4/30/10	791,206
Debt (7/31/10) includes capital leases as of 4/30/10	1,119,226
Enterprise value, net	4,610,488
Dividend, annual	0.60
Dividend yield	5.24%

HRB pays a dividend of 15 cents per quarter; the current dividend yield is 5.24%. Although cannot be valued on tangible book value because it has no tangible book value, it may on earnings and cash flow. The following table summarizes HRB's valuation metrics as business is currently configured:

Research produced by Greenwich Investment Research is available on a retainer basis. For more information or to become a client, please call Chuck Hanabergh, Director of Marketing, at 201-995-9005.

Absolute Values
Sub-Wedding Capital & Low Multiple Buys Greenwich Investment Research, Inc.
www.hacketts.com June 3, 2010 203,550,283

Seneca Foods Corporation
(2010)

Customer Segment	FY 2010, revenue / customer segment	Market Position
Retail (grocery labels)	57%	#1
Institutional food distributors	21%	#1
Branded product, e.g. Libby's	9%	#3
Green Giant (for General Mills)	13%	not applicable
	100%	

When you're number four or five in a market, when number one sneezes, you get pneumonia. When you're number one, you control your destiny. Jack Welch