Condensed Consolidated Financial Statements

Teton Advisors, Inc.

Quarterly Report for the Period Ended September 30, 2018

Teton Advisors, Inc. and Subsidiary

Condensed Consolidated Financial Statements

Quarterly Report for Period Ended September 30, 2018

Contents

Teton Advisors, Inc. and Subsidiary
Condensed Consolidated Statements of Income
(Unaudited)

	Three months ended September 30, 2018	2017
Revenues		
Investment advisory fees - mutual funds, net	$ 6,509,392	$ 6,403,301
Investment advisory fees - separate accounts	763,302	1,527,582
Distribution fees and other income	111,963	75,172
Total revenues	7,384,657	8,006,055
Operating expenses		
Compensation	1,669,002	2,410,394
Sub-advisory fees	1,262,117	1,096,728
Distribution costs	605,539	517,451
Marketing and administrative fees	539,930	487,878
Advanced commissions	44,372	50,043
Other operating expenses	704,969	513,535
Total operating expenses	4,825,929	5,076,029
Income before interest, taxes, depreciation and amortization	2,558,728	2,930,026
Depreciation and amortization	215,150	211,426
Interest expense	644,102	252,082
Income before income taxes	1,699,476	2,466,518
Income taxes	468,307	945,679
Net income	$ 1,231,169	$ 1,520,839
Net income per share:		
Basic	$ 0.72	$ 0.98
Fully diluted	$ 0.71	$ 0.91
Weighted average shares outstanding:		
Basic	1,265,168	1,165,792
Fully diluted	1,270,690	1,267,026

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

Teton Advisors, Inc. and Subsidiary
Condensed Consolidated Statements of Income
(Unaudited)

	Nine months ended September 30, 2018	2017
Revenues		
Investment advisory fees - mutual funds, net	$ 19,153,465	$ 16,989,774
Investment advisory fees - separate accounts	2,569,808	3,857,636
Distribution fees and other income	251,003	213,344
Total revenues	21,974,276	21,060,754
Operating expenses		
Compensation	5,313,635	6,450,815
Sub-advisory fees	3,651,147	2,544,803
Distribution costs	1,875,378	1,584,198
Marketing and administrative fees	1,571,513	1,420,318
Advanced commissions	145,555	144,333
Other operating expenses	1,813,977	1,685,511
Total operating expenses	14,371,205	13,829,978
Income before interest, taxes, depreciation and amortization	7,603,071	7,230,776
Depreciation and amortization	638,527	494,435
Interest expense	1,424,542	582,117
Income before income taxes	5,540,002	6,154,224
Income taxes	1,490,107	2,387,490
Net income	$ 4,049,895	$ 3,766,734
Net income per share:		
Basic	$ 2.66	$ 2.49
Fully diluted	$ 2.56	$ 2.32
Weighted average shares outstanding:		
Basic	1,222,820	1,154,499
Fully diluted	1,270,450	1,236,257

See Notes to Consolidated Financial Statements.

Teton Advisors, Inc. and Subsidiary
Condensed Consolidated Statements of Financial Condition

	(Unaudited) September 30, 2018	December 31, 2017
ASSETS		
Cash and cash equivalents	$ 9,954,422	$ 6,570,913
Investment advisory fees receivable	2,323,963	2,620,591
Investment in securities	136,265	138,298
Income tax receivable	16,647	-
Distribution and shareholder service expense reimbursement receivable	99,058	119,381
Goodwill and other identifiable intangible assets (Note B)	21,348,025	21,961,358
Contingent deferred sales commissions	87,194	97,759
Receivable from affiliates	23,084	20,453
Other assets (net of accumulated depreciation of $58,015 and $41,862 respectively)	514,006	393,207
Total assets	$ 34,502,664	$ 31,921,960
LIABILITIES AND STOCKHOLDERS' EQUITY		
Compensation payable	$ 735,500	$ 69,000
Payable to affiliates	768,250	732,491
Distribution costs payable	337,748	456,863
Income tax payable	-	35,449
Dividends payable	4,000	105,953
Deferred taxes payable, net	171,654	35,569
Accrued expenses and other liabilities	1,186,357	1,230,623
Subtotal liabilities	3,203,509	2,665,948
Long-term debt	1,449,049	3,183,733
Total liabilities	4,652,558	5,849,681
Commitments and contingencies (Note D)		
Series A redeemable preferred stock, $0.001 par value;		
75,000 shares authorized; 75,000 shares issued,		
60,000 shares outstanding (Liquidation preference of $6,400,000)	5,861,631	5,155,088
Stockholders' equity:		
Class A Common stock, $0.001 par value; 1,700,000 shares authorized;		
986,144 and 985,825 shares issued, respectively;		
945,685 and 845,966 outstanding, respectively	974	974
Class B Common stock, $0.001 par value; 800,000 shares authorized;		
792,000 shares issued; 330,598 and 330,917 shares outstanding, respectively	339	339
Additional paid-in capital	4,135,887	5,005,224
Treasury stock, at cost (45,459 class A shares and 8,000 class B shares		
and 139,859 class A shares and 8,000 class B shares, respectively)	(917,826)	(1,837,826)
Retained earnings	20,769,101	17,748,480
Total stockholders' equity	23,988,475	20,917,191
Total liabilities and stockholders' equity	$ 34,502,664	$ 31,921,960

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

Teton Advisors, Inc. and Subsidiary
Condensed Consolidated Statements of Stockholders' Equity
(Unaudited)

For the Nine Months Ended September 30, 2018

	Common Stock Class A	Common Stock Class B	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Total
Balance at December 31, 2017	$ 974	$ 339	$ 5,005,224	$ (1,837,826)	$ 17,748,480	$ 20,917,191
Net income	-	-	-	-	4,049,895	4,049,895
Stock based compensation	-	-	79,663	-	-	79,663
Stock buy back	-	-	-	(30,000)	-	(30,000)
Amortization of discount - preferred stock	-	-	-	-	(596,183)	(596,183)
Accretion of stock - preferred stock	-	-	-	-	(110,359)	(110,359)
Exercised stock warrants	-	-	(949,000)	950,000	-	1,000
Dividends declared	-	-	-	-	(322,732)	(322,732)
Balance at September 30, 2018 (unaudited)	$ 974	$ 339	$ 4,135,887	$ (917,826)	$ 20,769,101	$ 23,988,475

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

Teton Advisors, Inc. and Subsidiary
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Nine months ended September 30, 2018	2017
Cash Flow from Operating Activities		
Net income	$ 4,049,895	$ 3,766,734
Adjustments to reconcile net income to net cash		
provided by operating activities:		
Amortization of intangible assets	613,333	477,037
Amortization of deferred sales commission	145,555	144,333
Amortization of debt discount	1,265,316	388,493
Depreciation and amortization - other	25,194	17,398
Mark-to-market - forward contract	36,210	-
Deferred taxes	136,085	139,148
Unrealized gain on investments	(8,967)	(28,332)
Stock based compensation expense	79,664	14,642
(Increase) decrease in operating assets:		
Investment advisory fees receivable	296,628	(1,695,808)
Investment in securities	11,000	-
Distribution and shareholder service expense reimbursement receivable	20,323	(118,157)
Income tax receivable	(16,647)	60,767
Contingent deferred sales commission	(134,990)	(154,591)
Receivable from affiliates	(2,631)	(2,401)
Other assets	(145,993)	(67,648)
Increase (decrease) in operating liabilities:		
Compensation payable	666,500	1,322,649
Payable to affiliates	35,759	183,490
Distribution costs payable	(119,115)	376,001
Income tax payable	(35,449)	289,012
Accrued expenses and other liabilities	(80,476)	(125,802)
Total adjustments	2,787,299	1,220,231
Net cash provided by operating activities	$ 6,837,194	$ 4,986,965

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

Teton Advisors, Inc. and Subsidiary
Condensed Consolidated Statements of Cash Flows (continued)
(Unaudited)

	Nine months ended September 30, 2018	2017
Cash Flows from Investing Activities		
Acquisition of KAMCO assets	$ -	$ (23,000,000)
Net cash used in investing activities	-	(23,000,000)
Cash Flows from Financing Activities		
Proceeds from issuance of preferred and common stock	-	7,500,065
Proceeds from issuance of long - term debt and warrants	-	5,000,000
Repayment of long-term debt	(3,000,000)	-
Proceeds from reissuance of treasury stock	1,000	460,000
Dividends paid	(424,685)	(343,707)
Stock repurchase	(30,000)	(233,212)
Net cash (used in) provided by financing activities	(3,453,685)	12,383,146
Net increase (decrease) in cash and cash equivalents	3,383,509	(5,629,889)
Cash and cash equivalents:		
Beginning of year	6,570,913	13,270,301
End of period	$ 9,954,422	$ 7,640,412
Supplemental disclosures of cash flow information:		
Interest payments	$ 157,500	$ 193,624
Federal and State income tax payments	$ 1,313,325	$ 1,822,500

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

A. Significant Accounting Policies

Basis of Presentation

Teton Advisors, Inc. ("Teton") was formed in Texas as Teton Advisors, LLC in December 1994. Teton currently serves as the investment adviser for the TETON Westwood Funds and separately managed accounts. On February 28, 2017, Teton acquired the assets of Keeley Asset Management Corp. ("KAMCO") in a newly formed, wholly-owned subsidiary, Keeley-Teton Advisors, LLC ("Keeley-Teton"). Keeley-Teton serves as the investment advisor for the KEELEY Funds and separately managed accounts. The acquisition expanded Teton's product suite to twelve mutual funds under the TETON Westwood and KEELEY Funds brands (collectively referred to herein as the "Funds"), along with various separately managed account strategies. Unless we have indicated otherwise, or the context otherwise requires, references in this report to "the Company," "we" or "us" collectively refer to Teton and Keeley-Teton. The Company's capital structure consists of 1,700,000 shares authorized of Class A common stock with one vote per share, 800,000 shares authorized of Class B common stock with ten votes per share, and 80,000 shares of Preferred Stock, including 75,000 shares of Series A Preferred Stock with 0.1333 votes per share.

The unaudited interim condensed consolidated financial statements of the Company included herein have been prepared in conformity with U.S. Generally Accepted Accounting Principles ("GAAP") in the United States for interim financial information. Accordingly, they do not include all the information and footnotes required by GAAP for complete financial statements. In the opinion of management, the unaudited interim condensed consolidated financial statements reflect all adjustments, which are of a normal recurring nature, necessary for a fair presentation of financial position, results of operations and cash flows of Teton for the interim periods presented and are not necessarily indicative of a full year's results. The interim condensed consolidated financial statements include the accounts of Teton and Keeley-Teton (beginning March 1, 2017). Intercompany accounts and transactions have been eliminated. Operating results for the three and nine-month periods ended September 30, 2018 are not necessarily indicative of the results that may be expected for the year ending December 31, 2018. Additionally, these interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements included in Teton's Annual Report for the year ended December 31, 2017.

Use of Estimates

The preparation of the financial statements in conformity with GAAP requires management to make estimates and assumptions that may affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassifications

Certain amounts in prior periods have been reclassified to conform to the current period presentation.

Nature of Operations

Teton and Keeley-Teton are both SEC registered investment advisors under the Investment Advisers Act of 1940. Their principal markets of operations are the United States.

Recent Accounting Developments

In May 2014, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2014-09, "Revenue from Contracts with Customers," which supersedes the revenue recognition requirements in the Accounting Standards Codification ("Codification") Topic 605, Revenue Recognition, and most industry-specific guidance throughout the industry topics of the Codification. The core principle of the new ASU No. 2014-09 is for companies to recognize revenue from the transfer of goods or services to customers in amounts that reflect the consideration to which the company expects to be entitled to receive in exchange for those goods or services. The new standard provides a five-step approach to be applied to all contracts with customers and also requires expanded disclosures about revenue recognition. In March 2016, the FASB issued revised guidance which clarifies the guidance related to (a) determining the appropriate unit of account under the revenue standard's principal versus agent guidance and (b) applying the indicators of whether an entity is a principal or an agent in accordance with the revenue standard's control principle. In April 2016, the FASB issued an amendment to provide more detailed guidance including additional implementation guidance and examples related to (a) identifying performance obligations and (b) licenses of intellectual property. In May 2016, the FASB amended the standard to clarify the guidance on (a) assessing collectability, (b) presenting sales taxes, (c) measuring noncash consideration, and (d) certain transition matters. The Company adopted this guidance on January 1, 2018 and adopted the modified retrospective approach. The Company's implementation analysis has been completed, and we have identified similar performance obligations under this guidance as compared with deliverables and separate units of account previously identified under Topic 605. As a result, the timing of the recognition of our revenue remains the same as under Topic 605, and therefore the adoption does not have any effect on the timing of the recognition of revenue. However, the adoption does affect the presentation of certain revenues on a net basis.

The adoption of the new revenue standard resulted in the following changes to the Company's previously reported results for the three and nine month periods ended September 30, 2017:

Three months ended September 30, 2017	As Previously Reported	Adjustments Due to New Revenue Standard	As Adjusted
Revenue:			
Investment advisory fees - mutual funds	$ 6,647,542	$ (244,241)	$ 6,403,301
Expenses:			
Distribution costs and expense reimbursements *	$ 761,692	$ (244,241)	$ 517,451

* - Labeled Distribution Costs in 3Q18

Nine months ended September 30, 2017	As Previously Reported	Adjustments Due to New Revenue Standard	As Adjusted
Revenue:			
Investment advisory fees - mutual funds	$ 17,767,552	$ (777,778)	$ 16,989,774
Expenses:			
Distribution costs and expense reimbursements *	$ 2,361,976	$ (777,778)	$ 1,584,198

* - Labeled Distribution Costs in 3Q18

In February 2016, the FASB issued ASU 2016-02, which amends the guidance in U.S. GAAP for the accounting for leases. ASU 2016-02 requires a lessee to recognize assets and liabilities arising from most operating leases in the condensed consolidated statement of financial position. It requires these operating leases to be recorded on the balance sheet as right of use assets and offsetting lease liability obligations. This new guidance will be effective for the Company's first quarter of 2019. The Company is currently evaluating this guidance and the impact it will have on its consolidated financial statements and related disclosures.

In January 2017, the FASB issued ASU 2017-04 to simplify the process used to test for goodwill impairment. A goodwill impairment will now be the amount by which a reporting unit's carrying value exceeds its fair value, not to exceed the carrying amount of goodwill. This new guidance will be effective for the Company's first quarter of 2020. The Company is currently evaluating the potential effect of this new guidance on its consolidated financial statements and related disclosures.

B. Acquisition

On February 28, 2017, Teton, through Keeley-Teton, completed the acquisition of the assets of KAMCO, a privately held active asset management organization headquartered in Chicago, IL. The Company had combined AUM of $3.8 billion at March 31, 2017. The transaction was accounted for as a business combination pursuant to ASC 805, Business Combinations. The purchase price was allocated to KAMCO's net tangible and intangible assets based upon their relative fair values as of February 28, 2017. The excess purchase price over the value of net tangible and identifiable intangible assets was recorded as goodwill. The primary contributor to the recognition of goodwill was the acquired workforce.

The $23 million purchase price was allocated as follows: i) $7.4 million was attributed to a customer relationship intangible asset, which will be amortized over 9 years; ii) $12.6 million was attributed to an indefinite lived mutual fund management contract intangible asset; iii) $1.3 million was attributed to an indefinite lived trade name intangible asset; iv) $0.3 million was attributed to tangible fixed and prepaid assets; and v) the remaining $1.4 million was allocated to goodwill. These amounts were updated and finalized during the second quarter of 2017. In accordance with ASC 350, Intangibles – Goodwill and Other, goodwill and other intangible assets determined to have indefinite useful lives are not amortized. Instead, impairment tests will be conducted on our goodwill, management contracts and trademarks annually, and when circumstances indicate that the carrying value may not be recoverable. If it is determined that an impairment exists, the carrying value will be reduced accordingly. There were no indicators of impairment for the three months ended September 30, 2018, and as such, there was no impairment analysis performed or charge recorded. For tax purposes, all intangible assets, including goodwill, will be amortized over 15 years.

In connection with this acquisition, Teton entered into separate financing agreements with John L. Keeley, Jr. Enterprises ("Keeley Enterprises") and with Teton's controlling shareholder, GGCP, Inc. ("GGCP"). Both financing agreements are discussed in detail below.

Transaction expenses totaled approximately $375,000.

The following unaudited pro forma quarterly financial information presents the consolidated results of the operations of Teton and the acquired business assets of KAMCO as if the acquisition had occurred as of January 1, 2017. It also includes the impact of discount amortization as well as the impact of the amortization of intangible assets acquired in the transaction, shown on a pro forma basis. The pro forma information has been included for comparative purposes and is not necessarily indicative of what the results of operations actually would have been had the acquisition been completed as of January 1, 2017. In addition, the unaudited pro forma financial information is not indicative of, nor does it purport to project, the future operating results of the Company.

	Unaudited Pro Forma Nine Months Ended September 30, 2017
Revenues	$ 25,300,000
Income before interest, taxes, depreciation and amortization	$ 8,400,000
Net income	$ 4,200,000

C. Long-Term Debt and Warrants

On February 23, 2017, in connection with the acquisition of the business of KAMCO, Teton issued a $5,000,000 promissory note (the "GGCP Note") payable to its controlling shareholder, GGCP. The GGCP Note bears interest at 6% per annum, payable quarterly. The original principal amount has a maturity date of February 23, 2022. For the first two years of the loan, the Company is only obligated to pay interest. During the third through fifth year of the term of the loan, in addition to quarterly interest payments, the Company will make payments to amortize the principal of the loan on a straight line basis at a rate of $416,667 per quarter. The Company may prepay the loan at any time without penalty. In connection with the financing, the Company issued GGCP a warrant to purchase 100,000 shares of Teton Class A Common Stock at a purchase price of $0.01 per share. The term of the warrant is ten years, expiring on February 23, 2027, and may be exercised at any time in whole or in part. The relative fair value of the warrant of $2,402,460 was recorded as a discount against the stated value of the loan at the date of issuance. The discount was determined based upon the relative fair value of the proceeds. The discount is amortized as interest expense over the life of the loan.

On April 27, 2018, the warrant was exercised in whole by GGCP. The total proceeds received by the Company were $1,000.

On July 3, 2018, the Company made a principal payment of $1,500,000 on the GGCP Note. The total amount paid was $1,500,493 which included accrued interest. The Company wrote-off the related discount associated with the principal payment of $500,108 which was recorded as interest expense. The total interest expense related to the amortization and write-off of the debt discount for the three-month period ended September 30, 2018 was $613,609. Unamortized discount as of September 30, 2018 was $550,951. For the three month period ended September 30, 2018, the company incurred cash interest expense of $30,493.

D. Preferred Stock

On February 23, 2017, in connection with the acquisition of the business of KAMCO, Teton entered into a financing agreement with Keeley Enterprises, whereby Keeley Enterprises provided $7,500,000 in financing in exchange for 75,000 shares of Teton Series A Preferred Stock ("Preferred Stock"), par value $.001 per share, and 65,000 shares of Teton Class A Common Stock, par value $0.001 per share. The Preferred Stock, which is cumulative, has an annual dividend of 3% which is payable quarterly.

Each share of Preferred Stock has voting rights equal to 0.1333 shares of Teton Class A Common Stock and participates in common dividends at that same rate. The Preferred Stock includes a redemption feature whereby each share of Preferred Stock is redeemable for $100 per share plus the then fair market value of 0.1333 shares of Teton's Class A Common Stock. At issuance, the full redemption value was $7,951,500. The Preferred Stock is redeemable by the Company in whole or in part at any time, and may be redeemed by the holder at any time after February 23, 2019. The Company determined that the Preferred Stock was a hybrid financial instrument and that a cash-settled forward on the Company's Common Stock should be bifurcated from the Preferred Stock and accounted for as a non-option derivative. The strike price of the forward was determined such that the forward had no fair value at the date of issuance of the Preferred Stock. Any changes in the fair value of the derivative since issuance will be recognized currently in income.

The Preferred Stock, excluding the bifurcated forward, is classified as mezzanine equity since the shares are redeemable at the option of the holder beginning February 23, 2019. A discount of $2,609,913 was recorded against the full redemption value of the Preferred Stock at the date of issuance. The discount was determined based upon the relative fair value allocation of the proceeds. The discount is being amortized to retained earnings (as well as being treated as a preferred stock dividend for purposes of computing earnings available to common stockholder when computing earnings per share) over the two-year term of the Preferred Stock to its full redemption value since the Preferred Stock is considered outstanding shares.

On October 17, 2017, the Company redeemed 15,000 shares (principal amount $1,500,000) of the Series A Preferred Stock pursuant to terms of the stock agreement. In connection with the redemption, the company paid a redemption premium equal to the then fair value of $39.50 per share on 2,000 shares of the company's Class A Common Stock (0.1333 shares of common per preferred share redeemed). The premium totaled $78,980. In connection with the redemption, the company accelerated the amortization of discount associated with the partial redemption. The accelerated discount and stock accretion, which was charged to retained earnings (and treated as a reduction of earnings available to common stockholders for purposes of computing earnings per share), amounted to $347,594.

As of September 30, 2018, the full redemption value of the remaining Series A Preferred Stock was $6,400,000.

E. Related Party Transactions

The Company invests the majority of its cash equivalents in a U.S. Treasury money market mutual fund managed by Gabelli Funds, LLC. At September 30, 2018 and December 31, 2017, Teton had $9,576,292 and $5,944,959, respectively, in this money market fund.

The Company pays GAMCO marketing and administration fees based on the average net assets of the TETON Westwood Funds. Marketing and administration fees were $539,930 and $487,878 for the quarters-ended ended September 30, 2018 and September 30, 2017, respectively, and $1,571,513 and $1,420,318, for the nine month period ended September 30, 2018 and September 30, 2017, respectively.

The Company pays GAMCO a fixed administrative and management services fee pursuant to a contractual agreement. The amounts paid were $12,500, for the quarters ended September 30, 2018 and September 30, 2017, and $37,500 and $110,417, for the nine month period ended September 30, 2018 and September 30, 2017, respectively.

The Company pays GAMCO a sub-advisory fee at an annualized rate of between 0.32% and 0.35% of the average net assets of the TETON Westwood Mighty Mites Fund and the TETON Westwood Convertible Securities Fund. The sub-advisory fees were $1,188,920 and $1,024,339, for the quarters ended September 30, 2018 and September 30, 2017, respectively, and $3,430,107 and $2,321,065, for the nine month period ended September 30, 2018 and September 30, 2017, respectively.

At September 30, 2018 and December 31, 2017, the amounts payable to GAMCO for the services described above were $570,953 and $506,635 respectively. The amounts are included in the payable to affiliates on the Condensed Consolidated Statement of Financial Condition.

Distribution costs include certain amounts paid to G.distributors for wholesaler and platform commissions, 3rd party distribution costs, certain expense reimbursements, and a fixed administrative services charge based on a contractual agreement with Keeley-Teton. These costs were $360,047 and $341,693, for the three-month periods ended September 30, 2018 and September 30, 2017, respectively, and $1,248,544 and $999,501, for the nine month period ended September 30, 2018 and September 30, 2017, respectively.

At September 30, 2018 and December 31, 2017, the amounts payable to G.distributors for the items described above were $197,297 and $166,650 respectively. The amounts are included in the payable to affiliates on the Condensed Consolidated Statement of Financial Condition. The Company's receivables and payables to affiliates are non-interest bearing and are receivable and payable on demand.

The Company made interest payments to GGCP of $30,493 and $159,226 during the three and nine-month periods ended September 30, 2018 in connection with the GGCP Note discussed above in Long-Term Debt and Warrants.

F. Earnings Per Share

The computations of basic and fully diluted net income per share are as follows:

	Three Months Ended September 30, 2018	Three Months Ended September 30, 2017	Nine Months Ended September 30, 2018	Nine Months Ended September 30, 2017
Basic:				
Net income	$ 1,231,169	$ 1,520,839	$ 4,049,895	$ 3,766,734
Deduct preferred stock - cash dividends	45,400	56,750	136,200	136,625
Deduct preferred stock - constructive dividends (a)	279,826	316,010	706,542	743,725
Income attributable to Teton shareholders	$ 905,943	$ 1,148,079	$ 3,207,153	$ 2,886,384
Weighted average shares outstanding	1,265,168	1,165,792	1,222,820	1,154,499
Basic net income per share	$ 0.72	$ 0.98	$ 2.62	$ 2.50
Fully diluted:				
Net income	$ 1,231,169	$ 1,520,839	$ 4,049,895	$ 3,766,734
Deduct preferred stock - cash dividends	45,400	56,750	136,200	136,625
Deduct preferred stock - constructive dividends (a)	279,826	316,010	706,542	743,725
Income attributable to Teton shareholders	$ 905,943	$ 1,148,079	$ 3,207,153	$ 2,886,384
Weighted average shares outstanding	1,265,168	1,165,792	1,222,820	1,154,499
Assumed conversion of common stock warrants	-	99,974	42,482	80,567
Dilutive restricted stock awards	5,522	1,260	5,149	1,192
Total	1,270,690	1,267,026	1,270,451	1,236,258
Fully diluted net income per share	$ 0.71	$ 0.91	$ 2.52	$ 2.33

(a) - Constructive dividends reflect the preferred stock discount amortization and stock value accretion associated with the Series A Preferred Stock. See footnote D for further discussion.

G. Revenue

On January 1, 2018, the Company adopted ASU 2016-09 using the retrospective method.

The revenue streams in the discussion below include those within the scope of ASU 2014-09. Those revenue streams deemed out of scope and excluded are: investment gains, dividends, and interest income, which are all included in distribution fees and other income.

Revenue Recognition

Revenues are recognized when the performance obligation (the investment management and advisory services provided to the client) defined by the investment advisory agreement is satisfied. For each performance obligation, we determine at contract inception whether the revenue satisfies over time or at a point in time. We derive our revenues from investment advisory fees, distribution fees and other income. Advisory fees are calculated based on a percentage of assets under management and the performance obligation is realized over the current calendar quarter. Once clients receive our investment advisory services we have an enforceable right to payment.

Advisory Fee Revenues

Our advisory fees are generated by Teton Advisors and Keeley-Teton Advisors, which manage client accounts under investment advisory agreements. Advisory fees are typically calculated based on a percentage of assets under management and are paid in accordance with the terms of the agreements. For mutual funds, advisory fees are accrued daily, based upon each mutual fund's daily net assets. For other accounts, advisory fees are paid either quarterly in advance based on assets under management on the last day of the preceding quarter, or quarterly in arrears based on assets under management on the last day of the quarter just ended, subject to adjustment. We recognize advisory fee revenues as services are rendered. Since our advance paying clients' billing periods coincide with the calendar quarter to which such payments relate, revenue is recognized within the quarter and our condensed consolidated financial statements contain no deferred advisory fee revenues. Advisory clients typically consist of institutional and mutual fund accounts.

Institutional investor accounts typically consist of corporate pension and profit sharing plans, public employee retirement funds, Taft Hartley plans, endowments, foundations and individuals. Mutual funds include the TETON Westwood Funds, a family of mutual funds for which Teton Advisors serves as advisor, and the KEELEY Funds, a family of mutual funds for which Keeley-Teton Advisors serves as advisor. These funds are available to individual investors, as well as offered as part of our investment strategies for institutional investors and private wealth accounts.

Mutual fund advisory fee revenue is net of related fund reimbursements totaling \$371,773 and \$1,085,395, respectively, for the three and none-month periods ended September 30, 2018.

Revenue Disaggregated

The following table presents our revenue disaggregated by account type:

	For The Three Months Ended September 30,		Increase (decrease)	
(Unaudited)	2018	2017	$	%
Investment advisory fees				
Open-end mutual funds, net	$ 6,509,392	$ 6,403,301	$ 106,091	1.7%
Institutional	301,935	999,687	(697,752)	-69.8%
Private client	316,156	288,793	27,363	9.5%
Wrap	145,211	239,102	(93,891)	-39.3%
Total separate accounts	763,302	1,527,582	(764,280)	-50.0%
Total investment advisory fees	7,272,694	7,930,883	(658,189)	-8.3%
Distribution fees	53,618	56,505	(2,887)	-5.1%
Other income, net	58,345	18,667	39,678	212.6%
Total revenues	$ 7,384,657	$ 8,006,055	$ (621,398)	-7.8%

	For The Nine Months Ended September 30,		Increase (decrease)	
(Unaudited)	2018	2017[(1)]	$	%
Investment advisory fees				
Open-end mutual funds, net	$ 19,153,465	$ 16,989,774	$ 2,163,691	12.7%
Institutional	1,142,518	2,769,570	(1,627,052)	-58.7%
Private client	941,739	584,542	357,197	61.1%
Wrap	485,551	503,524	(17,973)	-3.6%
Total separate accounts	2,569,808	3,857,636	(1,287,828)	-33.4%
Total investment advisory fees	21,723,273	20,847,410	875,863	4.2%
Distribution fees	160,976	158,062	2,914	1.8%
Other income, net	90,027	55,282	34,745	62.9%
Total revenues	$ 21,974,276	$ 21,060,754	$ 913,522	4.3%

(1) Includes the results of the KAMCO acquisition beginning March 1, 2017.

H. Indemnifications

In the ordinary course of business, the Company may enter into contracts or agreements that contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Company. Based on its history and experience, the Company believes that the likelihood of any such event is remote.

I. Subsequent Events

On November 13, 2018, the Board of Directors declared its regular quarterly dividend of $0.05 per share to all common shareholders payable on January 15, 2019 to shareholders of record on January 2, 2019, and $0.75 per share on Series A Preferred Stock payable on January 15, 2019 to shareholders of record on November 23, 2018.

On October 1, 2018, the Company redeemed 15,000 shares (principal amount $1,500,000) of Series A Preferred Stock pursuant to terms of the stock agreement. In connection with the redemption, the Company paid a redemption premium equal to the then fair value of $50 per share on 2,000 shares of the Company’s Class A Common Stock (0.1333 shares of common per preferred share redeemed). The premium totaled $100,000. Also in connection with the redemption, the Company accelerated the amortization of the discount associated with the partial redemption. The accelerated discount and stock accretion, which was charged to retained earnings (and treated as a reduction of earnings available to common stockholders for purposes of computing earnings per share), amounted to $134,592.

MANAGEMENT'S DISCUSSION OF OPERATIONS

The following discussion should be read in conjunction with the unaudited Condensed Consolidated Financial Statements and the notes thereto included in this report. The results below include the contribution associated with the KAMCO acquisition beginning March 1, 2017.

Introduction

Our revenues are highly correlated to the level of assets under management ("AUM") and fees associated with our various investment products, rather than our own corporate assets. AUM, which is directly influenced by the level and changes of the overall equity markets, can also fluctuate through acquisitions, the creation of new products, the addition of new accounts or the loss of existing accounts. Since various equity products have different fees, changes in our business mix may also affect revenues. At times, the performance of our equity products may differ markedly from popular market indices, and this can also impact our revenues. It is our belief that general stock market trends will have the greatest impact on our level of AUM and hence, revenues.

Assets Under Management Highlights

The following table sets forth total AUM by product type as of the dates shown:

						% Δ From	
($ in millions)	**9/17**	**12/17**	**3/18**	**6/18**	**9/18**	**9/17**	**6/18**
Mutual Funds							
Equities	$ 2,760	$ 2,730	$ 2,618	$ 2,698	$ 2,673	-3.2%	-0.9%
Fixed Income	22	23	25	27	36	64.1%	33.7%
Institutional, Private Client & Wrap	802	626	608	513	498	-38.0%	-3.0%
Total Assets Under Management	$ 3,584	$ 3,379	$ 3,251	$ 3,238	$ 3,207	-10.5%	-1.0%
Average Assets Under Management	$ 3,602	$ 3,482	$ 3,315	$ 3,277	$ 3,264	-9.4%	-0.4%

The following table sets forth asset appreciation and flows for the period shown:

($ in millions)	**July 1, 2018**	**Appreciation / (depreciation)**	**Net flows**	**September 30, 2018**
Mutual Funds				
Equities	$ 2,698	$ 29	$ (54)	$ 2,673
Fixed Income	27	2	7	36
Institutional, Private Client & Wrap	513	10	(25)	498
	$ 3,238	$ 41	$ (72)	$ 3,207

($ in millions)	**January 1, 2018**	**Appreciation / (depreciation)**	**Net flows**	**September 30, 2018**
Mutual Funds				
Equities	$ 2,730	$ 96	$ (153)	$ 2,673
Fixed Income	23	3	10	36
Institutional, Private Client & Wrap	626	27	(155)	498
	$ 3,379	$ 126	$ (298)	$ 3,207

AUM was $3.21 billion at September 30, 2018 versus $3.24 billion at September 30, 2017. Outflows of $275 million were partly off-set by inflows of $203 million and market appreciation of $41million. This compares to the third quarter of 2017 outflows of $409 million, partly offset by inflows of $113 million and market appreciation of $197 million. Average AUM was $3.26 billion for the third quarter 2018, a decrease of 9.4% from $3.60 billion in the third quarter 2017.

Operating Results for the Three Months Ended September 30, 2018 as Compared to the Three Months Ended September 30, 2017

Revenues

Total revenues were $7,384,657 in the third quarter of 2018, a decrease of 7.8% from the total revenues of $8,006,055 for the same period in the prior year. The change in total revenues by revenue component was as follows:

	For The Three Months Ended September 30,		Increase (decrease)	
(Unaudited)	2018	2017	$	%
Investment advisory fees				
Open-end mutual funds, net	$ 6,509,392	$ 6,403,301	$ 106,091	1.7%
Institutional	301,935	999,687	(697,752)	-69.8%
Private client	316,156	288,793	27,363	9.5%
Wrap	145,211	239,102	(93,891)	-39.3%
Total separate accounts	763,302	1,527,582	(764,280)	-50.0%
Total investment advisory fees	7,272,694	7,930,883	(658,189)	-8.3%
Distribution fees	53,618	56,505	(2,887)	-5.1%
Other income, net	58,345	18,667	39,678	212.6%
Total revenues	$ 7,384,657	$ 8,006,055	$ (621,398)	-7.8%

Investment Advisory Fees: Investment advisory fees are directly influenced by the level and mix of AUM. The Company earns advisory fees based on the average daily AUM in the Funds and the account value as of the end of the preceding quarter for institutional, private clients and wrap accounts. Average AUM for the Funds were $2.76 billion for the third quarter ended September 30, 2018 compared to $2.68 billion for the quarter ended September 30, 2017.

Average billable AUM for institutional, private clients and wrap accounts were $507.5 million for the period ended September 30, 2018 compared to $929.9 million for the period ended September 30, 2017, a decrease of 45.4%.

Distribution Fees: The Company earns a distribution fee on the Class C shares of Funds sold over the first twelve months after the sale. Distribution fees for the three months ended September 30, 2018 and 2017 were $53,618 and $56,505, respectively. Total sales of class C shares were $20.5 million for the trailing twelve months ending September 30, 2018 and $21.8 million for the trailing twelve months ending September 30, 2017.

Other Income, Net: Other income, net includes realized and unrealized net gains, (losses) from investments and interest income earned from cash equivalents that were invested in a money market mutual fund managed by Gabelli Funds, LLC, a subsidiary of GAMCO, and cash held at a bank. Other income, net for the three months ended September 30, 2018 and September 30, 2017 were $58,345 and $18,667, respectively. The increase was due to higher average balances of cash and cash equivalents held during the quarter.

Expenses

Compensation: Compensation costs, which include salaries, bonuses, benefits and stock based compensation, were $1,669,002 for the third quarter of 2018, a decrease of 31% from $2,410,394 in the prior year period. Fixed compensation costs, which include salary and benefits, was $1,213,144 for the third quarter of 2018, a decrease of 27% from $1,667,749 in the prior year period. This decrease was due to a reduction in staff. Stock based compensation was $26,555 for the third quarter of 2018, an increase of $16,256 from $10,299 for in the prior year period. The remainder of the compensation expenses represents variable compensation that includes bonuses and revenue sharing that fluctuates with net investment advisory revenues. For the third quarter of 2018, variable compensation was $429,303, a decrease of 41% from $732,346 the prior year period. The decrease in variable compensation is directly related to the reduction of company discretionary bonuses.

Sub-advisory Fees: The Company has currently retained a sub-adviser for four of the seven TETON Westwood Funds. All of the Keeley-Teton funds are managed in-house. Sub-advisory fees, which range from 32% to 35% of the net investment advisory revenues of the sub-advised funds, which are recognized as expenses as the related services are performed, were $1,262,117 for the third quarter of 2018, up $165,389 from $1,096,728 in the prior year period. The increase was due to higher average AUM. Average AUM in sub-advised funds was $1.60 billion for the third quarter of 2018, an increase of 13.3% from $1.41 billion in the prior year period.

Distribution Costs: Distribution costs, which are primarily related to the sale of shares of the Funds, net of related reimbursements, include wholesaler payouts and payments made to third party distributors for funds sold through their platforms, including their no transaction fee programs. These costs were $605,539 for the third quarter of 2018, an increase of 17% from $517,451 in the prior year period. The increase was directly related to increased costs paid to third party distributors.

Marketing and Administrative Fees: Marketing and administrative fees, which are charges from GAMCO and paid by Teton for administration of certain activities performed by GAMCO for the TETON Westwood Funds on behalf of Teton, were $539,930 for the three months ended September 30, 2018, an 11% increase from $487,878 in the prior year period. Marketing and administrative fees are calculated on a tiered formula and are based on average AUM. Based on the tiered formula administration fees were approximately 13.1 basis points of the average AUM of the TETON Westwood Funds for the third quarter 2018 versus 13.6 basis points of such average AUM for the third quarter 2017. As the AUM of the TETON Westwood Funds grows, these fees will decline as a percentage of average AUM.

<u>Advanced Commissions</u>: Advanced commission expenses were $44,372 for the third quarter of 2018, a decrease of $5,671 from $50,043 in the prior year period.

<u>Other Operating Expenses</u>: Other operating expenses, including those charged by GAMCO and incurred directly, were $704,969 for the third quarter of 2018, an increase of $191,433 from $513,536 in the prior year period. This increase is primarily due to the increase of legal, occupancy and financial information service expenses in the current year period.

<u>Depreciation and amortization</u>: Depreciation and amortization expense was $215,150 for the third quarter of 2018, which was approximately the same as the prior year period.

<u>Interest expense:</u> Interest expense was $644,102 for the third quarter of 2018, an increase of $392,020 from $252,082 in the prior year period. Interest expense includes cash interest paid on the GGCP debt, as well as the amortization of debt discount associated with the debt issuance. The increase in interest expense is primarily attributable to the write-off of debt discount of $500,108, from a $1,500,000 pre-payment of debt made to GGCP on July 3, 2018.

Income Taxes

The effective tax rate was 27.6% for the quarter ended September 30, 2018, and 38.3% for the quarter ended September 30, 2017. The reduction is due to the passage of the Tax Cut and Jobs Act which was signed into law on December 22, 2017.

Net Income

Net income for the third quarter of 2018 was $1,231,169, or $0.71 per fully diluted share, versus $1,520,839, or $0.91 per fully diluted share, for the comparable period in 2017.

Supplemental Financial Information

As supplemental information, we provide a non-U.S. generally accepted accounting principles on (“non-GAAP”) performance measure that we refer to as Cash Earnings. We provide this measure in addition to, but not as a substitute for, net income reported on a U.S. generally accepted accounting principles (“GAAP”) basis. Our management and the Board of Directors review Cash Earnings to evaluate our ongoing performance, allocate resources and review our dividend policy. We believe that this non-GAAP performance measure is useful for management and investors when evaluating our underlying operating and financial performance and our available resources. We do not advocate that investors consider this non-GAAP measure without considering financial information prepared in accordance with GAAP.

In calculating Cash Earnings, we add back to net income the non-cash expense associated with the amortization of debt discount and intangible amortization expense incurred in connection with the KAMCO acquisition. Although depreciation on property & equipment and amortization of leaseholds are also non-cash expenses, we do not add these back when calculating Cash Earnings because those charges represent a decline in the value of the related assets that will ultimately require replacement.

Teton Advisors, Inc. and Subsidiary

The following table provides a reconciliation of net income to Cash Earnings for the periods presented:

	For the Quarter Ended,			
	September 30, 2018		September 30, 2017	
Net income	$	1,231,169	$	1,520,839
Add: Debt discount amortization		613,609		162,625
Add: Intangible amortization		204,444		204,444
Cash Earnings	$	2,049,222	$	1,887,908
Cash Earnings Per Fully Diluted Share (a)	$	1.58	$	1.45

(a) - Cash Earnings Per Fully Diluted Share reflects reductions for cash dividends paid on Series A Preferred Stock totaling $45,400 and $56,596 in the third quarter 2018 and in the prior year quarter, respectively. It does not include reductions for non-cash constructive dividends related to the Series A Preferred Stock totaling $279,826 and $316,010 in the second quarter 2018 and in the prior year quarter, respectively.

Operating Results for the Nine Months Ended September 30, 2018 as Compared to the Nine Months Ended September 30, 2017

Revenues

Total revenues were $21,974,276 in the nine months ended September 30, 2018, an increase of $913,522 from the total revenues of $21,060,754 for the same period in the prior year. The change in total revenues by revenue component was as follows:

	For The Nine Months Ended September 30,		Increase (decrease)	
(Unaudited)	2018	2017[(1)]	$	%
Investment advisory fees				
Open-end mutual funds, net	$ 19,153,465	$ 16,989,774	$ 2,163,691	12.7%
Institutional	1,142,518	2,769,570	(1,627,052)	-58.7%
Private client	941,739	584,542	357,197	61.1%
Wrap	485,551	503,524	(17,973)	-3.6%
Total separate accounts	2,569,808	3,857,636	(1,287,828)	-33.4%
Total investment advisory fees	21,723,273	20,847,410	875,863	4.2%
Distribution fees	160,976	158,062	2,914	1.8%
Other income, net	90,027	55,282	34,745	62.9%
Total revenues	$ 21,974,276	$ 21,060,754	$ 913,522	4.3%

(1) Includes the results of the KAMCO acquisition beginning March 1, 2017.

Investment Advisory Fees: Investment advisory fees are directly influenced by the level and mix of AUM. The Company earns advisory fees based on the average daily AUM in the Funds and the account value as of the end of the preceding quarter for institutional, private clients and wrap accounts. Average AUM for the Funds were $2.77 billion for the period ended September 30, 2018 compared to $2.34 billion for the period ended September 30, 2017, an increase of 18.4%.

Average billable AUM for institutional, private clients and wrap accounts were $565.5 million for the period ended September 30, 2018 compared to $771.8 million for the period ended September 30, 2017, a decrease of 26.7%.

Teton acquired the assets of KAMCO on March 1, 2017.

Distribution Fees: The Company earns a distribution fee on the Class C shares of Funds sold over the first twelve months after the sale. Distribution fees for the nine months ended September 30, 2018 and 2017 were $160,976 and $158,062, respectively

Other Income, Net: Other income, net includes realized and unrealized net gains, (losses) from investments and interest income earned from cash equivalents that were invested in a money market mutual fund managed by Gabelli Funds, LLC, a subsidiary of GAMCO, and cash held at a bank. Other income, net for the nine months ended September 30, 2018 and September 30, 2017 were $90,027 and $55,281, respectively. The increase was due to higher average balances of cash and cash equivalents held during the period.

Expenses

Compensation: Compensation costs, which include salaries, bonuses, benefits and stock based compensation, were $5,313,635 for the nine months ended September 30, 2018, a decrease of 17.6% from $6,450,815 in the prior year period. Fixed compensation costs, which include salary and benefits, were $3,919,325 for the nine months ended September 30, 2018, a decrease of 5.6% from $4,152,257 in the prior year period. This decrease was due to a reduction in staff. Stock based compensation was $79,663 for the nine months ended September 30, 2018, an increase of $65,022 from $14,642 for the prior year period. The remainder of the compensation expenses represents bonuses and variable compensation that fluctuates with net investment advisory revenues. For the nine months ended September 30, 2018, variable compensation was $1,314,646, a decrease of 42% from $2,283,917 in the prior year period. This decline related to the elimination of portfolio manager compensation in prior year, as the Company transitioned the TETON Westwood Mighty Mites fund to a sub-advisory relationship effective March 1, 2017, as well as lower variable compensation.

Sub-advisory Fees: The Company has currently retained a sub-adviser for four of the seven TETON Westwood Funds. All of the Keeley-Teton funds are managed in-house. Sub-advisory fees, which range from 32% to 35% of the net investment advisory revenues of the sub-advised funds, are recognized as expenses as the related services are performed, were $3,651,147 for nine months ended September 30, 2018, an increase of $1,106,344 from $2,544,803 in the prior year period. The increase was due to Teton Westwood Mighty Mites fund moving to a sub-advisory relationship effective March 1, 2017. Average AUM in sub-advised Funds was $1.56 billion for the nine months ended September 30, 2018, an increase of 59.5% from $977.9 million in the prior year period.

Distribution Costs: Distribution costs, which are primarily related to the sale of shares of the Funds, net of related reimbursements, include wholesaler payouts and payments made to third party distributors for funds sold through their platforms, including their no transaction fee programs. These costs were $1,875,378 for the nine months ended September 30, 2018, an increase of 18% from $1,584,198 in the prior year period. The increase was primarily due to increased expenses related to the acquisition of the KAMCO business.

Marketing and Administrative Fees: Marketing and administrative fees, which are charges from GAMCO and paid by Teton for administration of certain activities performed by GAMCO for the TETON Westwood Funds on behalf of Teton, were $1,571,513 for the nine months ended September 30, 2018, an 11% increase from $1,420,318 in the prior year period. Marketing and administrative fees are calculated on a tiered formula and are based on average AUM. Based on the tiered formula administration fees were approximately 12.7 basis points of the average AUM of the TETON Westwood Funds for the nine months ended September 30, 2018 versus 13.5 basis points of such average AUM for the nine months ended September 30, 2017. As the AUM of the TETON Westwood Funds grows, these fees will decline as a percentage of average AUM.

Advanced Commissions: Advanced commission expense was $145,555 for the nine months ended September 30, 2018, which was approximately the same as the prior year period of $144,333.

Other Operating Expenses: Other operating expenses, including those charged by GAMCO and incurred directly, were $1,813,977 for the nine months ended September 30, 2018, an increase of 8% or $128,466 from $1,685,511 in the prior year period. The increase is primarily due to increased expense related to the acquisition of the KAMCO business.

Depreciation and amortization: Depreciation and amortization expense was $638,527 for the nine months ended September 30, 2018, an increase of $144,092 from $494,435 in the prior year period. The increase is primarily due to increased intangible asset amortization related to the acquisition of the KAMCO business.

Interest expense: Interest expense was $1,424,542 for the nine months ended September 30, 2018, an increase of $842,425 from $582,117 in the prior year period. Interest expense includes cash interest paid on the GGCP debt, as well as the amortization of debt discount associated with the debt issuance. The increase in interest expense is primarily attributable to the write-off of debt discount totaling $1,051,821 related to the $3.0 million principal payments made to on that debt.

Income Taxes

The effective tax rate was 26.9% for the nine months ended September 30, 2018, and 38.8% for the nine months ended September 30, 2017. The reduction is due to the passage of the Tax Cut and Jobs Act which was signed into law on December 22, 2017.

Net Income

Net income for the nine months ended September 30, 2018 was $4,049,895, or $2.56 per fully diluted share, versus $3,766,734 or $2.32 per fully diluted share, for the comparable period in 2017.

Supplemental Financial Information

As supplemental information, we provide a non-U.S. generally accepted accounting principles (“non-GAAP”) performance measure that we refer to as Cash Earnings. We provide this measure in addition to, but not as a substitute for, net income reported on a U.S. generally accepted accounting principles (“GAAP”) basis. Our management and the Board of Directors review Cash Earnings to evaluate our ongoing performance, allocate resources and review our dividend policy. We believe that this non-GAAP performance measure is useful for management and investors when evaluating our underlying operating and financial performance and our available resources. We do not advocate that investors consider this non-GAAP measure without considering financial information prepared in accordance with GAAP.

In calculating Cash Earnings, we add back to net income the non-cash expense associated with the amortization of debt discount and intangible amortization expense incurred in connection with the KAMCO acquisition. Although depreciation on property & equipment and amortization of leaseholds are also non-cash expenses, we do not add these back when calculating Cash Earnings because those charges represent a decline in the value of the related assets that will ultimately require replacement.

The following table provides a reconciliation of net income to Cash Earnings for the periods presented:

	For the Nine Month Period Ended,	
	September 30, 2018	**September 30, 2017**
Net income	$ 4,049,895	$ 3,766,734
Add: Debt discount amortization	1,265,316	388,493
Add: Intangible amortization	613,333	477,037
Cash Earnings	$ 5,928,544	$ 4,632,264
Cash Earnings Per Fully Diluted Share (a)	$ 4.56	$ 3.64

(a) - Cash Earnings Per Fully Diluted Share reflects reductions for cash dividends paid on Series A Preferred Stock totaling $136,200 and $136,625 in the nine month period ended September 30, 2018 and in the prior year period, respectively. It does not include reductions for non-cash constructive dividends related to the Series A Preferred Stock totaling $706,542 and $743,725 in the nine month period ended September 30, 2018 and in the prior year period, respectively.