

# Equitable Financial Corp. Announces Agreement with Elkhorn Partners and Date of Annual Meeting

Company Release - 1/18/2019 11:15 AM ET

**GRAND ISLAND, NE / ACCESSWIRE / January 18, 2019** / Equitable Financial Corp. (the "Company") (OTCQX: EQFN), the holding company of Equitable Bank, today announced that it has entered into an agreement with Elkhorn Partners Limited Partnership ("Elkhorn Partners"), which beneficially owns approximately 9.8% of the Company's outstanding stock, regarding the Company's upcoming Annual Meeting of Shareholders (the "Annual Meeting").

Under the terms of the agreement, the Company has agreed to appoint Wayne G. Cadwallader and Sean Mullen to the Company's Board of Directors (the "Board"), effective January 15, 2019, and to nominate Mr. Cadwallader and Mr. Mullen for election to the Board at the Annual Meeting. As part of the agreement, the size of the Board will increase to eleven (11) members, and a total of five (5) Directors will be nominated for election at the upcoming Annual Meeting. Equitable has also agreed to amend its bylaws to remove the requirement that only permanent Nebraska residents can serve on the Board.

Elkhorn Partners has agreed to withdraw its nomination of three (3) directors and to vote all of its shares at the Annual Meeting in favor of the Board's five (5) nominees (including Mr. Cadwallader and Mr. Mullen). In addition, Elkhorn Partners agreed to other customary standstill and voting commitments in connection with the upcoming Annual Meeting.

Tom Gdowski, the Company's President and Chief Executive Officer, stated: "We are very pleased to enter into this cooperation agreement with Elkhorn Partners, and we welcome Wayne and Sean to the Board." Mr. Gdowski continued: "We believe their background and experience fit well with our criteria for Board membership, and we look forward to their assistance and insight as we continue to pursue our strategic plan as an independent community bank."

Alan Parsow, Manager of Elkhorn Partners, stated: "We appreciate the collaborative discussions we have had with Tom and his team over the past couple of months. We look forward to working together to help the Company and Equitable Bank in achieving their goals and realizing long-term value for all Company shareholders. This relationship may include expanded business between Equitable Financial and Elkhorn Partners."

The Company also announced today that the Annual Meeting will be held on Tuesday, February 19, 2019, at The Yancey, Commons Room, 123 North Locust Street, Grand Island, Nebraska at 11:00 a.m., local time.

## About Mr. Cadwallader

Mr. Cadwallader has served as a Managing Partner - Research of Elkhorn Partners since July 1, 2010. Mr. Cadwallader is also currently a Director of Orbit International and Comarco Inc. Prior to Elkhorn Partners, Mr. Cadwallader worked for Hamblin Watsa Investment Counsel Ltd., a subsidiary of Fairfax Financial Holdings Ltd, as a Senior Investment Analyst.

## About Mr. Mullen

Mr. Mullen has been a Principal of Hancock & Dana, PC since 1985. Hancock & Dana, PC is a certified public accounting and consulting firm based in Omaha, Nebraska. Mr. Mullen has over 35 years of experience with business consulting, tax matters and accounting matters.

## About Elkhorn Partners Limited Partnership

Elkhorn Partners Limited Partnership is a Omaha, Nebraska-based investment firm with value investing philosophy that has been in business for over 30 years.

## About Equitable Financial Corp.

Equitable Financial Corp. is the holding company for Equitable Bank, which is a Nebraska-based community bank headquartered in Grand Island. Equitable Bank has been in operation since 1882. A full-service bank with 4 branches in Grand Island, North Platte and Omaha, Equitable offers consumer, commercial and ag loans, home loans, checking and savings accounts, financial planning and retirement services.

## Forward-Looking Statements

When used in this Press Release, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," or similar expressions are intended to identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to certain risks and uncertainties including, but not limited to, changes in economic conditions in the Company's market area, changes in policies by regulatory agencies, fluctuations in interest rates, demand for loans in the Bank's market area, competition that could cause actual results to differ materially from historical earnings and those presently anticipated or projected, and other risks described in the Company's filings with the Securities and Exchange Commission. The Company cautions readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. The Company advises readers that the factors listed above could affect the Company's financial performance and could cause the Company's actual results for future periods to differ materially from any opinions or statements expressed with respect to future periods in any current statements. The Company does not undertake, and specifically disclaims any obligation, to publicly release the result of any revision which may be made to any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events.

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**SOURCE:** Equitable Financial Corp.