

Second Proxy Firm Recommends Addition of Dissident Director to AR Global's New York City REIT Board

Glass, Lewis & Co. LLC, an independent proxy advisory firm, recommended that New York City REIT (NYSE: NYC) stockholders vote to elect Sharon Stern, the independent nominee of dissident shareholder, Comrit Investments 1 LP, to the REIT's board of directors. Glass Lewis' recommendation follows that of independent proxy advisory firm [Institutional Shareholder Services Inc.](#), which also demonstrated a show of support for Stern.

In its report, Glass Lewis noted that "In our view, the Dissident has made a clear showing that the Company has significantly underperformed its industry peers, particular in terms of TSR (total shareholder return) since the company's initial public listing two years ago."

NYC REIT, a former non-traded real estate investment trust sponsored by AR Global Investments, listed its Class A shares on the New York Stock Exchange in August 2020, at a price-per-share of \$25.00. As of June 30, 2019, the NAV per share was \$20.26, prior to a 2:43-1 reverse split. As of market close on May 24, 2022, the REIT's stock price was \$7.16 per share.

The Glass Lewis report went on to say that between August 18, 2020 and May 20, 2022, the -48.2% TSR "was significantly worse than the average TSRs of the New York City Office Peer Group (25.5%) and the REIT Peer Group (17.4%), and, in fact, trailed the TSRs of each of the constituents of the aforementioned peer groups."

Glass Lewis also expressed concern over NYC REIT's cash traps,

“especially considering the company has not, to the best of our knowledge, offered any substantiative guidance regarding the anticipated measures and timing for curing such breaches.”

Additionally, Glass Lewis had much to say about NYC REIT’s defensive share purchases and restrictive pointing pill, pointing out that “. . . the timing of those stock purchases, coming in the last days of 2021, is certainly curious, to say the least, as it raises open questions regarding whether the purchases were undertaken in part to enable the Company to present better optics to investors regarding its share price performance for the calendar year, particularly in the face of a looming proxy contest after the Dissident had publicly indicated its intention to nominate a director candidate just one month prior.”

Stern is the founder and president of Eastmore Management and Metro Investments, two organizations focused on multi-residential and commercial properties in downtown Montreal. She serves on the board of Cedar Realty Trust Inc. (NYSE: CDR), a publicly traded REIT specializing in grocery-anchored retail properties, as well as on its audit and compensation committees.

Noted Comrit managing partner Ziv Sapir: “We are very pleased that Glass Lewis shares our conclusion that change is urgently needed in NYC REIT’s boardroom and supports the election of our highly qualified and independent director candidate, Sharon Stern. It’s unfortunate that this Board has been more focused on entrenching itself instead of eliminating conflicts and improving performance.”

Comrit owns approximately 2 percent of the REIT’s outstanding Class A shares. Comrit announced its intention to nominate Stern to the board late last year, launching a website titled [“Rebuild NYC REIT”](#) outlining its grievances with the company.

Shareholders will vote at the annual meeting on Tuesday, May

31, 2022.

Comrit Investments 1 LP is an investment partnership that invests in income generating real estate through public non-traded real estate investment trusts. Founded in 2015 and based in Tel Aviv, Washington D.C. and New York City, Comrit is sponsored by I.B.I. Investment House Ltd. (TLV: IBI), an Israel-based market leader in alternative fund offerings. Comrit's management team collectively has 30 years of experience investing across the U.S. real estate market.

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