



- ⓘ **Noncompliant with NASDAQ Standards** May 6, 2021  
 Noncompliant with bid price standards
- ⓘ **Noncompliant with NASDAQ Standards** Oct 9, 2020  
 Noncompliant with bid price standards

### Key Facts

Business address: **Charlottesville, Virginia, United States**  
 Industry: **Promoters of Performing Arts, Sports, and Similar Events with Facilities** (NAICS 711310)  
 SEC filer status: **Non-Accelerated Filer** as of Mar 2021  
 Market Cap: **\$58.1m** as of Jul 22, 2021  
 Annual revenue: **NOT AVAILABLE**

### Corporate Governance

CEO: **Robert J. Cobuzzi Jr** since 2020  
 CFO: **William Hornung** since 2018 1st level

Board Chairman: **David G. Kalergis** since 2016  
 Audit Committee Chair: **NOT AVAILABLE** 2nd level

Auditor: **KPMG LLP** since 2016  
 Outside Counsel (most recent): **Dechert LLP** 3rd level

SEC Reviewer: **(unknown)** 4th level

Watchdog Research, Inc., offers both individual and group subscriptions, data feeds and/or custom company reports to our subscribers. Subscribe: We have delivered 300,000 public company reports to over 27,000 individuals, from over 9,000 investment firms and to 4,000+ public company corporate board members.



How to analyze this company's Watchdog Report? [Skip to the last page](#)

Information in this report is effective Jul 23, 2021 and is taken from the company's public financial and regulatory filings. Latest filing 10-Q filed 05/07/2021. Over 75 accounting and data analysts scrutinize and review crucial information, footnotes, disclosures, etc., from these filings. Material facts are captured and processed using our proprietary methods which identify key risk factors our readers need to know. Each Watchdog Report represents 30 or more hours of analysis and processing.

Accounting and financial disclosure data from [Audit Analytics](#).  
 Executive compensation data from [Shore Group and Intrinio](#).  
 Data from [Sharadar](#).  
[Data from Barchart via Quandl](#).  
[Data from Exchange Data International via Quandl](#).

Jul 23, 2021 Jan 1, 2020 Jan 1, 2016

RECENT PERIOD

HISTORICAL PERIOD

10-Q filed on May 7, 2021 for period ending Mar 2021

### Reporting Irregularities

RECENT		HISTORICAL
✓	Financial Restatements	✓
✓	Revisions	✓
✓	Out of Period Adjustments	✓
✓	Late Filings	✓
✓	Impairments	!
✓	Changes in Accounting Estimates	✓
✓	Disclosure Controls	!
✓	Internal Controls	✓
!	Critical / Key Audit Matters	✓

### Anomalies in the Numbers

RECENT		HISTORICAL
!	Benford's Law	✓
—	Beneish M-Score	—
!	Accounting Disclosure Complexity	!

### Securities & Exchange Commission Concerns

RECENT		HISTORICAL
✓	SEC Oversight	✓
✓	SEC Letters to Management	!
✓	Revenue Recognition	✓
✓	Non-GAAP Measures	✓

### Litigation & External Pressures

RECENT		HISTORICAL
✓	Significant Litigation	✓
✓	Securities Class Actions	✓
✓	Shareholder Activism	✓
✓	Cybersecurity	✓

### Management Review

RECENT		HISTORICAL
!	CEO Changes	!
✓	CFO Changes	!
✓	Insider Sales	✓
✓	Pledged Securities	✓
✓	Mergers & Acquisitions	✓
✓	Sales of Assets	✓

### Auditor Assessment

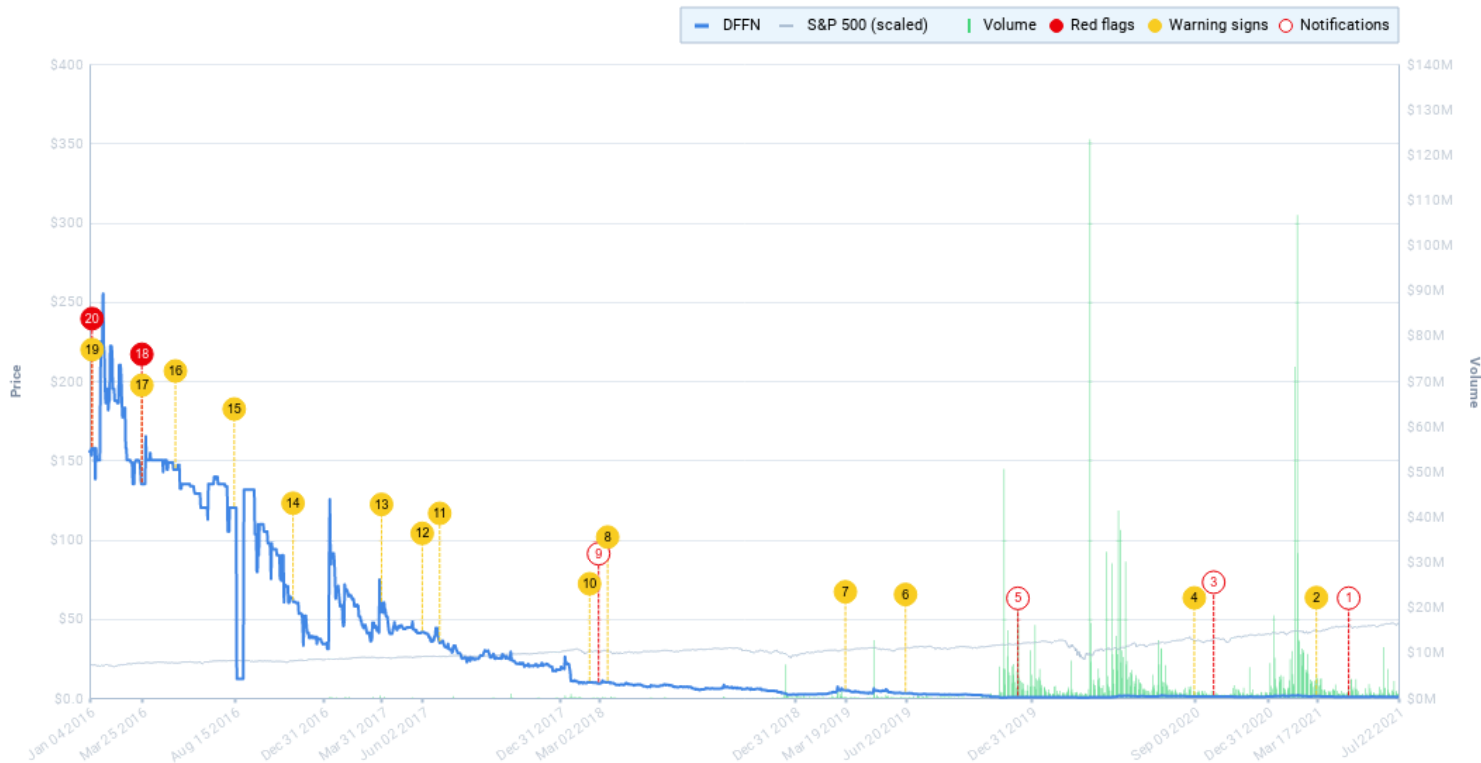
RECENT		HISTORICAL
✓	Auditor Changes	!
✓	Auditor Experience	✓
✓	Auditor Tenure	✓
—	Audit Fees	—
—	Non-Audit Fees	—



## Overview

### Price and Volume History

This graph shows the price and trading history for Diffusion. Warning signs and red flags are marked on the graph according to their disclosure dates.



- |  |  |
|--|--|
| <ul style="list-style-type: none"> <li>① May 6, 2021 - Noncompliant with NASDAQ Standards</li> <li>② Mar 17, 2021 - Critical / Key Audit Matters</li> <li>③ Oct 9, 2020 - Noncompliant with NASDAQ Standards</li> <li>④ Sep 9, 2020 - Change in CEO</li> <li>⑤ Dec 11, 2019 - Noncompliant with NASDAQ Standards</li> <li>⑥ Jun 20, 2019 - SEC letters to management</li> <li>⑦ Mar 19, 2019 - Impairment</li> <li>⑧ Mar 16, 2018 - SEC letters to management</li> <li>⑨ Mar 2, 2018 - Noncompliant with NASDAQ Standards</li> <li>⑩ Feb 16, 2018 - SEC letters to management</li> </ul> | <ul style="list-style-type: none"> <li>⑪ Jun 29, 2017 - SEC letters to management</li> <li>⑫ Jun 2, 2017 - SEC letters to management</li> <li>⑬ Mar 31, 2017 - Impairment</li> <li>⑭ Nov 14, 2016 - Disclosure Controls</li> <li>⑮ Aug 15, 2016 - Disclosure Controls</li> <li>⑯ May 16, 2016 - Disclosure Controls</li> <li>⑰ Mar 25, 2016 - Impairment</li> <li>⑱ Mar 25, 2016 - Auditor change</li> <li>⑲ Jan 8, 2016 - Change in CEO</li> <li>⑳ Jan 8, 2016 - Change in CFO</li> </ul> |
|--|--|



## Notifications

Important notifications related to the company are listed here. Notifications may come from the SEC, exchanges such as the NYSE or NASDAQ, or Watchdog Research. Examples of notifications include announcements of bankruptcy proceedings, company name changes, and noncompliance with SEC regulations or exchange rules.

### Diffusion has 4 notifications since 2016.

Event date	Type	Headline	Message	Source
05/06/2021	Noncompliance	Noncompliant with NASDAQ Standards	Noncompliant with bid price standards	<a href="#">NASDAQ</a>
10/09/2020	Noncompliance	Noncompliant with NASDAQ Standards	Noncompliant with bid price standards	<a href="#">NASDAQ</a>
12/11/2019	Noncompliance	Noncompliant with NASDAQ Standards	Noncompliant with bid price standards	<a href="#">NASDAQ</a>
03/02/2018	Noncompliance	Noncompliant with NASDAQ Standards	Noncompliant with bid price standards	<a href="#">NASDAQ</a>

## Peer Group

Peer groups are used by companies to benchmark executive compensation and performance. Each company identifies its own peer group. Peer groups vary from company to company.

### Peer Group

Company	Ticker	Market Cap
Esports Entertainment Group, Inc. *	GMBL	\$193m
Elys Game Technology, Corp. *	ELYS	\$89.1m
Acro Biomedical Co., Ltd. *	ACBM	\$88.8m
Dover Motorsports Inc. *	DVD	\$84.2m
Diffusion Pharmaceuticals Inc.	DFFN	\$58.1m
Black Ridge Oil & Gas, Inc. *	ANFC	\$22.5m
I-AM Capital Acquisition Co *	IAM	\$15.5m
Town Sports International Holdings Inc. *	CLUB	\$3.57m
24/7 Kid Doc, Inc. *	TVMD	\$2.56m
Creative Learning Corp. *	CLCN	\$1.84m

\* Suggested by Watchdog.

### Companies Who Named Diffusion as a Peer

Diffusion is not named as a peer by any company.



## Peer Flag Comparison

The return to a company's stock is not the only measure of executive performance. Ethics matter, and growth can quickly reverse and gains evaporate if a company's accounting and financial reporting processes are not fundamentally sound and trustworthy. How does Diffusion's accounting quality compare to its peer group?

	DFFN	PEERGROUP FLAGS				DFFN	PEERGROUP FLAGS		
<b>Reporting Irregularities</b>					<b>Litigation &amp; External Pressures</b>				
Financial Restatements	✓	7		2	Significant Litigation	✓	4	3	2
Revisions	✓	6	3		Securities Class Actions	✓	9		
Out of Period Adjustments	✓	8	1		Shareholder Activism	✓	6		3
Impairments	!	3	6		Cybersecurity	✓	8	1	
Changes in Accounting Estimates	✓	7	2		<b>Management Review</b>				
Disclosure Controls	!	1		8	CEO Changes	!	2	4	3
Internal Controls	✓	2		7	CFO Changes	!	2	3	4
Critical / Key Audit Matters	!		3		Insider Sales	✓	9		
<b>Anomalies in the Numbers</b>					Pledged Securities	✓	8		1
Benford's Law	!	3		6	Mergers & Acquisitions	✓	9		
Beneish M-Score	—		3		Sales of Assets	✓	9		
Accounting Disclosure Complexity	!	4	4	1	<b>Auditor Assessment</b>				
<b>Securities &amp; Exchange Commission Concerns</b>					Auditor Changes	!	3		6
SEC Oversight	✓	7		2	Auditor Experience	✓	5	4	
SEC Letters to Management	!	3	5	1	Auditor Tenure	✓	6	3	
Revenue Recognition	✓	9			Audit Fees	—	2	6	
Non-GAAP Measures	✓	9			Non-Audit Fees	—	8		



## About Watchdog Research, Inc.

Watchdog Research, Inc. is an independent research provider and publisher of Watchdog Reports. Watchdog Reports identify red flags, issues, and other anomalies in financial reporting. Our reports contain warning signs, red flags, material disclosures, and peer analysis for use in valuation, risk analysis, due diligence research, and idea generation.

Watchdog Reports are designed to assist investment professionals fulfill their fiduciary or suitability obligations and to help investors, executives, board members, regulators and educators learn what they need to know about publicly traded companies.

The company is headquartered in Ave Maria, FL. Watchdog Research, Inc. utilizes over 75 specialists and analysts to provide accurate and timely information to our readers.

### Our management team is:

**CEO: Brian Lawe.** Brian has been part of the corporate staff at The New York Times Company and IBM. He has created and operated several technology companies including MyStoreCredit, OnPage Ideas and HelloCampus. He holds an MBA from Harvard Business School and a BBA from Texas Christian University. He and his wife have four children and live in the Naples, FL area.

**CTO: Radu Cugut.** Radu has led the award-winning technology team that developed the Watchdog Report and services. He, his wife and son split their time between his home in Ave Maria, FL and his home in Timisoara, Romania where he oversees five talented development professionals. Radu has a bachelors in Computer Science and a masters in Banking and Financial Information Systems, both from the West University of Timisoara.

**Chief Content Officer: Joseph Burke, Ph.D.** is responsible for the content development, analysis, and quality control for the Watchdog Report. Joseph worked previously as a professor of economics at Ave Maria University. He received his Ph.D. from the University of Wisconsin-Madison and resides with his family in the Naples area.

**Director of Research: John Cheffers.** John is responsible for writing our blogs and for our press relationships. He received his bachelors from Washington University in St. Louis, and has worked for Audit Analytics and Ave Maria University. He graduated Ave Maria University School of Law where his research was selected for publication in the Law Review. He currently lives in Pennsylvania with his wife and two children.



**Watchdog Research, Inc.**  
5072 Annunciation Cir.  
Suite 202  
Ave Maria, FL 34142

[info@watchdogresearch.com](mailto:info@watchdogresearch.com)  
(855) 820-6272  
[www.watchdogresearch.com](http://www.watchdogresearch.com)

