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B. Riley Asset Management Acquires Rights to Manage Dialectic Hedge Funds

John Fichthorn joins as Head of Alternative Investments

LOS ANGELES, April 24, 2017 (GLOBE NEWSWIRE) -- **B. Riley Financial, Inc.** (NASDAQ:RILY) ("**B. Riley**") announced today that Dialectic Capital, LLC ("Dialectic Capital") and Dialectic Capital Management, LP ("Dialectic Capital Management" and together with Dialectic Capital, "Dialectic") has assigned the rights to manage certain hedge funds managed by Dialectic (the "Dialectic Funds") to a subsidiary of B. Riley Capital Management, LLC. John Fichthorn, a managing member of Dialectic Capital and general partner of Dialectic Capital Management, has been named as the Head of Alternative Investments for B. Riley Asset Management, a division of B. Riley Capital Management, LLC.

Founded in 2003 by John Fichthorn, Dialectic Capital Management currently manages several fund strategies and invests in equities across all sectors and market capitalizations. Prior to founding Dialectic, John Fichthorn was a managing director at Maverick Capital.

"Under John's stewardship, Dialectic has established an impressive track record and reputation in the hedge fund industry. This acquisition is consistent with our strategy of expanding our capital management business, which now has nearly \$1 Billion in assets under management", commented Bryant Riley, the Chairman and Chief Executive Officer of B. Riley Financial. "We look forward to leveraging John's experiences to scale our asset management business even further."

John Fichthorn noted, "We have worked closely with the B. Riley team for many years. Bryant and his team have been trusted advisors to us across all of our investing strategies from shareholder activism to all styles of public equity investing. B. Riley is a firm that leads with client interests. As Bryant has seen compelling opportunities outside of traditional Investment banking and brokerage he has added them to his corporate portfolio. We are very excited to be a part of this portfolio and see compelling opportunities across many of the divisions within B. Riley to help improve our returns and increase assets."

The Dialectic Funds currently own shares of common stock of B. Riley Financial, Inc. The Dialectic Fund investors have appointed a portfolio manager for the trading and voting of the B. Riley shares. In accordance with new policies adopted by the Company, this portfolio manager does not have access to material non-public information regarding B. Riley, and is responsible for determining if and when the B. Riley shares held by the Dialectic Funds should be voted or traded.

About B. Riley Financial, Inc.

B. Riley Financial, Inc. (NASDAQ:RILY) is a publicly traded, diversified financial services company which takes a collaborative approach to the capital raising and financial advisory needs of public and private companies and high net worth individuals. The company also makes proprietary investments in other businesses where B. Riley Financial, Inc. is uniquely positioned to leverage its expertise and assets in order to maximize value. The Company operates through several wholly-owned subsidiaries, including B. Riley & Co., LLC (www.brileyco.com), Great American Group, LLC (www.greatamerican.com), Great American Capital Partners (www.gacapitalpartners.com) and B. Riley Capital Management, LLC (which includes B. Riley Asset Management and B. Riley Wealth Management, (www.brileywealth.com)). Since the acquisition of United Online, Inc. (www.untld.com) in July 2016, B. Riley Financial, Inc. also provides internet access services under the NetZero and Juno brands.

Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to inherent risks and uncertainties, including statements about B. Riley's or Dialectic's plans, objectives, expectations and intentions. Such statements include, without limitation, statements about the timing of the completion of the transaction, the anticipated benefits thereof, our market and growth opportunities and other benefits associated with the proposed transaction, and other statements that are not historical fact. Forward-looking statements may contain such words as "may," "could," "expect," "intend," "plan," "seek," "anticipate," "believe," "estimate," "predict," "potential," or "continue" or the negative of these terms or other comparable terminology. These forward-looking statements are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements, including, but not limited to: the ability of the parties to consummate the proposed transaction in a timely manner or at all; satisfaction of the conditions precedent to consummation of the proposed transaction; the ability to realize synergies from the proposed transaction; operational challenges in achieving strategic

objectives and executing our plans; the risk that markets do not evolve as anticipated; the potential impact of the general economic conditions and other economic, business and/or competitive factors. The risks included are not exhaustive. Other factors that could adversely affect the transaction and our business and prospects are described in our periodic reports on Form 10-K, 10-Q and 8-K filed with the Securities and Exchange Commission.

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