Case 26-3c

Popular Plant

Popular Plant (the “Company”), a privately held company, specializes in plant-based, prepared-meal delivery service. In addition to its founders and other employees, the Company has an existing third-party investor (the “Investor”). After making its initial investment, the Investor expressed a desire to acquire additional interest in the Company without diluting other existing shareholders.

Popular Plant allowed the Investor to increase its ownership in the Company — without diluting the ownership percentage of other existing investors — by permitting the Investor to make offers to six specific Popular Plant employees. These employees were told that they could sell a portion of their existing shares of common stock (the “Original Shares”) in the Company for a price of $12 per share. Five of the six employees decided to participate (the “Sellers”) in the transaction (the “Transaction”), and one of the employees opted out.

The Company is assessing whether the transaction between the Investor and the Sellers has an accounting consequence for the Company under U.S. GAAP.