



## **Second Independent Proxy Advisory Firm, Glass Lewis, Recommends Genesis Shareholders Vote the WHITE Management Proxy**

### **Genesis reminds shareholders to vote the WHITE proxy before August 8<sup>th</sup>**

August 6, 2013 – Calgary – Genesis Land Development Corp. (TSX: GDC) (the "Corporation" or "Genesis") announced today that Glass, Lewis & Co., LLC ("GL") has recommended shareholders vote for the management nominees listed on the WHITE proxy.

GL is a leading independent source of proxy research and corporate governance advice to institutional investors around the world. GL's analyses and recommendations are relied upon by major institutional investment firms and mutual funds throughout North America.

In its report, GL concludes that the dissident *"...ultimately has not put forth a compelling argument to justify the complete board overhaul that it pursues."*

GL shares Genesis' concerns about the independence of the dissident slate, noting: *"In our view, a board fully controlled by the Dissident, comprised of multiple individuals with ties to the Dissident itself and others connected through previous business ventures, would not foster an independently-minded, well-functioning board."*

Genesis' management nominees have also been endorsed by Institutional Shareholder Services ("ISS"), another leading independent third-party proxy advisory firm. ISS concluded there is *"no basis for a wholesale board change"*, and *"dissident views would be adequately represented"* with four board seats.

### **Shareholders: Vote the WHITE Proxy Before August 8<sup>th</sup>.**

Time is running out to cast your WHITE proxy for an independent and representative Board of Directors for Genesis Land Development. It is imperative that you vote for **ALL** of the management nominees using the WHITE proxy previously sent to you.

If you have already voted a dissident proxy, a later-dated WHITE proxy supersedes any previously submitted vote. Vote your WHITE proxy before August 8<sup>th</sup> regardless of whether you plan to attend the meeting in person.

As shareholders are aware, your Board made every effort to avoid a proxy contest. The Board offered the dissident group several concessions, including four of eight board seats. Though the dissidents rejected the offer, the Board still placed three dissident representatives and one dissident-recommended independent nominee on the management slate.

**During the past two weeks, we have communicated several concerns about the dissident shareholder action:**

- Independence: The lead dissident, Smoothwater Capital, is led by Stephen Griggs and Garfield Mitchell, the brother of current Genesis Board member Mark Mitchell. Dissident nominees and business partners, Edwin Nordholm and Loudon Owen, led a dissident action against Genesis in July, 2012 claiming the support of Garfield Mitchell and other shareholders. The previously documented familial, business and social ties between the dissident nominees raises questions of their true independence from one another.
- Strategic Plan: The dissidents have disclosed neither a plan nor strategy to enhance shareholder value. Shareholders have a right to know the dissidents' agenda and their plan for Genesis. Dissident nominees Mark Mitchell and Loudon Owen, who both currently serve as directors, have not yet proposed to the Board any new initiatives or strategies that have not already been addressed or implemented.
- Zero-Premium Takeover: The Board believes the dissident action is tantamount to a creeping takeover – without paying shareholders a fair premium for control. Genesis adopted a Shareholder Protection Rights Plan, effective July 28, 2013, to ensure that all shareholders are treated equally and fairly in connection with any initiative to acquire control of the Company. Smoothwater CEO Stephen Griggs told the *Calgary Herald* on July 29, 2013 that he opposed the Shareholder Protection Plan.

**In contrast, the Genesis Board has worked and will continue to work in the best interests of all shareholders:**

- Commitment to Board Renewal: The Genesis Board has always been very responsive to its shareholders, including the Mitchells. In the past year, the Board has undergone significant renewal, with three new directors joining the Board in 2012 and the remaining four joining in the last three years.
- Qualifications and Experience: The Management nominees include at least two individuals with operational land and housing experience, three with real estate experience and two who bring public company CFO experience to our Audit Committee. The slate proposed by Smoothwater appears to include only one nominee with operational real estate experience and, notably, none with operational land development experience.

- Executing to Enhance Shareholder Value: The current Genesis Board, reconstituted only a year ago, has been working hard to deal with non-core assets and build a more profitable housing business. Genesis' activities are improving our credibility in the marketplace and enhancing our access to credit and capital. The Board agrees that Genesis' full value is not reflected in our market price – and we have been executing a plan to decrease the valuation gap. Maximizing shareholder value for a land development company is a longer-term process, and requires a systematic and orderly approach.

The proxy contest waged by the dissidents threatens to damage and destabilize Genesis' business development, partnership and sales activities by bringing uncertainty to the leadership and direction of your company.

Genesis has already incurred an enormous cost in time and money while attempting to accommodate — and now defend — our company against the dissident shareholders. We must send them a definitive message.

Shareholders, the Board needs your support to keep Genesis' Board independent.

Please cast your vote on the **WHITE** proxy today in support of the management nominees and disregard any materials you may receive from the dissidents. In order to be counted, your vote must be submitted before **9 a.m.** (Mountain Daylight time) on **August 8, 2013**. Even if you have voted a dissident proxy, a later-dated **WHITE** proxy supersedes any previously submitted vote.

If you require assistance in casting your vote, or require replacement proxy materials, please call Genesis' proxy solicitation agent, **CST Phoenix Advisors at 1-800-921-9376**, or call collect 201-806-2222, or email [inquiries@phoenixadvisorscst.com](mailto:inquiries@phoenixadvisorscst.com)

### **About Genesis**

Genesis is a Calgary-based real estate development corporation engaged in the acquisition, development, and sale of land, residential lots and homes in Alberta and British Columbia. All business activities of the Corporation are conducted in Western Canada, with development lands held primarily in and around the cities of Calgary and Airdrie. With a diversified and substantial land base, the Corporation is well positioned to focus on developing those projects that offer the best return in the market going forward.

SOURCE Genesis Land Development Corp.

### **For further information:**

Shareholders

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