UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

DIVISION OF
CORPORATION FINANCE

February 23, 2025

Ralph S. Janvey
Krage & Janvey, L.L.P.

Re: Retractable Technologies, Inc. (the "Company")
Incoming letter dated January 22, 2025

Dear Ralph S. Janvey:

This letter is in response to your correspondence concerning the shareholder proposal (the "Proposal") submitted to the Company by William B. Thomson for inclusion in the Company's proxy materials for its upcoming annual meeting of security holders.

There appears to be some basis for your view that the Company may exclude the Proposal under Rule 14a-8(e)(2) because the Company received it after the deadline for submitting proposals. Accordingly, we will not recommend enforcement action to the Commission if the Company omits the Proposal from its proxy materials in reliance on Rule 14a-8(e)(2).

Copies of all of the correspondence on which this response is based will be made available on our website at https://www.sec.gov/corpfin/2024-2025-shareholder-proposals-no-action.

Sincerely,

Rule 14a-8 Review Team

cc: William B. Thomson

KRAGE & JANVEY, L.L.P.
ATTORNEYS AND COUNSELORS AT LAW
2100 ROSS AVENUE
SUITE 2600
DALLAS, TEXAS 75201
TELEPHONE 214/969-7500
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January 22, 2025

<u>Via Online Shareholder Proposal form</u>

U.S. Securities and Exchange Commission
Division of Corporation Finance
Office of Chief Counsel
100 F Street, NE
Washington, DC 20549

Re: Retractable Technologies, Inc.
<u>Exclusion of Shareholder Proposal by William B. Thomson</u>

Dear Ladies and Gentlemen:

We are writing on behalf of our client, Retractable Technologies, Inc. (the "Company"), to inform you of the Company's intention to exclude from its proxy statement and proxy to be filed and distributed in connection with its 2025 annual meeting of shareholders (the "Proxy Materials"), the enclosed shareholder proposal and supporting statement (the "Proposal") submitted by William B. Thomson (the "Proponent") proposing that the Company elect the Proponent to its Board of Directors, streamline operations and reduce salaries, and consider strategic alternatives including liquidation. Please note that the Proponent does not explicitly reference Rule 14a-8 of the Securities Exchange Act of 1934, as amended (the "Exchange Act") or meaningfully seek to meet any of the procedural requirements of Rule 14a-8; however, we are submitting this letter under the assumption that he seeks to rely on Rule 14a-8 since his letter to the Company's General Counsel (see Exhibit A) requests that the proposals be included in the Company's proxy statement.

The Company respectfully requests that the staff of the Division of Corporation Finance (the "Staff") of the U.S. Securities and Exchange Commission (the "Commission") advise the Company that it will not recommend any enforcement action to the Commission if the Company excludes the Proposal from its Proxy Materials for the reason discussed below.

The Company is submitting electronically to the Commission this letter and the Proposal (attached as Exhibit A to this letter) and is concurrently sending a copy to the Proponent.

Background

The Company's deadline to receive shareholder proposals for inclusion in the Proxy Materials was November 30, 2024 (the "Proposal Deadline"). The Company disclosed this deadline on page 18 of its proxy statement for the 2024 Annual Meeting of Shareholders.

On January 8, 2025, the Company received the Proposal via U.S. mail. The Proposal was therefore received 39 days after the Proposal Deadline.

Basis for Exclusion

The Proposal may be excluded under Rule 14a-8(e) because the Company did not receive the Proposal from the Proponent until after the Proposal Deadline.

Rule 14a-8(e)(2) provides, in part, that for a regularly scheduled annual meeting, "[t]he proposal must be received at the company's principal executive offices not less than 120 calendar days before the date of the company's proxy statement released to shareholders in connection with the previous year's annual meeting." The deadline for receiving shareholder proposals for inclusion in the Proxy Materials was November 30, 2024. The Company disclosed this Proposal Deadline in its proxy statement for the 2024 Annual Meeting of Shareholders, as required by Item 1(c) of Schedule 14A and Rule 14a-5(e)(1) of the Exchange Act.

Consequently, for the Proponent's submission to be timely, the Company needed to receive the Proposal from the Proponent on or before the Proposal Deadline. As noted above and as shown in Exhibit B, the Proposal was received by the Company 39 days after the Proposal Deadline.

The Company did not provide the Proponent with a notice of deficiency per Rule 14a-8(f), which provides that a notice is not required "if the deficiency cannot be remedied, such as if [a proponent] fail[s] to submit a proposal by the company's properly determined deadline." *See also* Staff Legal Bulletin No. 14 (July 13, 2001) ("SLB 14") ("[A] company does not need to provide [a] shareholder with a notice of defect(s) if the defect(s) cannot be remedied [. . .] [which] would apply, for example, if [. . .] the shareholder failed to submit a proposal by the company's properly determined deadline").

The Staff made clear in SLB 14 and in subsequent no-action responses that it strictly construes the deadline for shareholder proposals under Rule 14a-8, permitting companies to exclude from their proxy materials those proposals received at a company's principal executive offices on any date after the deadline. *See, e.g., GameStop Corp.* (April 24, 2024) (proposal received 61 days after the company's deadline); *CTS Corp.* (March 22, 2024) (proposal received six days after the company's deadline); *The PNC Financial Services Group, Inc.* (February 20,

2024) (proposal received one day after the company's deadline); and *Hewlett Packard Enterprise Co.* (January 4, 2024) (proposal received five days after the company's deadline).

Consistent with the Staff's approach in the above letters, the Company believes it may exclude the Proposal in reliance on Rule 14a-8(e), as the Company did not receive the Proposal from the Proponent until January 8, 2025, 39 days after the Proposal Deadline.

The Company did not receive the Proposal until January 8, 2025, which was less than 80 days before the Company intends to file its 2025 Proxy Materials. Accordingly, for good cause the Company was not able to meet the 80-day requirement for filing a no-action letter request set forth in Rule 14a-8(j). We request that the Staff confirm that it will not recommend enforcement action to the Commission if the Company omits the Proposal from its Proxy Materials in reliance on Rule 14a-8(e)(2).

Conclusion

For the foregoing reasons, we respectfully request that the Staff, consistent with its prior no-action letters, concur that it will take no action if the Company excludes the Proposal from its Proxy Materials pursuant to Rule 14a-8(e), on the basis that the Proposal was received after the deadline for receipt of proposals.

If the Staff has any questions with respect to the foregoing, or if for any reason the Staff does not agree that the Company may exclude the Proposal from its Proxy Materials, please do not hesitate to contact me at rjanvey@kjllp.com or (214) 397-1912 or my partner, Valerie P. Thomas at vthomas@kjllp.com or (214) 397-1918. In addition, should the Proponent choose to submit any response or other correspondence to the Commission, we request that the Proponent concurrently submit that response or other correspondence to the Company, as required pursuant to Rule 14a-8(k) and Staff Legal Bulletin No. 14D (November 7, 2008), and copy the undersigned.

Very truly yours,

Krage & Janvey, L.L.P.

Ralph S Janvey

Ralph S. Janvey
Partner

RSJ/cjf

cc: Retractable Technologies, Inc.: Michele M. Larios, Vice President, General Counsel, and Secretary via email to rtilegal@retractable.com; John W. Fort III, Vice President and Chief Financial Officer via email to john.fort@retractable.com

William B. Thomson via email to [redacted]

Attachments:

Exhibit A: Letter Addressed to Members of the Board (identical copies sent to Thomas J. Shaw and John W. Fort); Letter Addressed to Michele M. Larios; Enclosure Entitled "Injecting Sense: The Case for RVP's Liquidation"

Exhibit B: Mailing and tracking information

Exhibit A

William B. Thomson
[redacted]

Retractable Technologies, Inc.
Little Elm, TX 75068-5295

Dear Members of the Board,

I am a private investor, who has accumulated 400,000 shares of RVP. I will be pushing the board for changes as I see both management shortcomings, unoptimized asset utilization and evidence of conflicts of interest and breaches of fiduciary duty.

Retractable Technologies has an admirable history of innovation and commercial development of safety syringes and needles. Unfortunately, recent developments specific to RVP and to the industry have left RVP with declining revenues and an increasing cost structure. This has not escaped the notice of management, but the turnaround has been slow and the strategic pivots inadequate to stem the losses. Furthermore, significant net working capital has been lost on unprofitable investments.

We recognize the challenges facing RVP but believe that an additional financial executive, such as myself, representing the outside shareholders, would diversify and enhance the board and provide appropriate safeguards for the shareholders. There is little evidence of board independence except in any way but name alone. The four independent board members have no incentive to vote in the best interests of the minority shareholders. I hope to change this, but more importantly, I expect to impress upon the CEO, and the board, the imperative to change the strategic direction of the company.

Importantly, as of the most recent quarter, the company holds cash and marketable securities equal to $2 per share, which could be redeployed in a merger or distributed to shareholders or used to mount an aggressive tender for publicly traded shares. In addition, I note that RVP has a tangible book value of $$4.97 per share, much of which is in assets that could be redeployed or sold in the case of a liquidation. For our research publication on RVP, please refer to [redacted], or read the copy included with this letter.

Having called the CFO, John W. Fort, on several occasions, and having written to the CEO, Thomas J. Shaw, to no avail, I request a meeting in person, will submit this letter to the Corporate Secretary to be included in Annual Meeting and Proxy materials and insist upon (1) my appointment to the Board of Directors, (2) streamlining of operations including a reduction of salaries to the CEO and (3) an immediate consideration of strategic alternatives. (See attached research and liquidation analysis.)

Sincerely,

William B. Thomson

William B. Thomson

William B. Thomson
PII [redacted]

January 2025

Michele M. Larios
Vice President, General Counsel and Secretary
Retractable Technologies, Inc.
511 Lobo Lane
Little Elm, Texas 75068-5295

Dear Ms. Larios,

Included in this mail, you will find a letter to the Retractable Technologies, Inc. (RVP) board, research on RVP explaining why the current board is insufficiently attentive to their fiduciary duties to minority shareholders and why operations and strategic directions need to be changed.

I am proposing myself as a candidate to the board and ask that you include me in the proxy statement that will be submitted in the next few months. As you know, the SEC has new Universal Proxy Card rules that have modified the procedure per the observation quoted below:

> ***New Universal Proxy Card Rules in Effect as of the 2023 Annual Meetings***
> *In November 2021, the SEC adopted rules requiring companies to use universal proxy cards that include all director nominees (including dissident nominees) presented for election in contested elections. In addition, the new rules require registrants to disclose, in their proxy statements, the deadline for a shareholder to submit nominees to be included in the company's proxy card for its next annual meeting (similar to the disclosure requirement of the deadline for 14a-8 shareholder proposals).*

Please inform in a timely manner if RVP has bylaw requirements that I may be unaware of and that I may need to meet to propose my election on the universal proxy card. Thank you in advance for your attention to this matter.

Your ownership of 861,000 shares places your interests in a possible position of conflict with Mr. Shaw, CEO, and his efforts to sustain the RVP operations. After reading our research, you may have reason to consider the benefits of a liquidation, or other corporate restructuring.

While your $400,000 annual income is handsome, perhaps too much so, you would immediately realize some $2,000,000 from your stock holdings. I would not want to suggest disloyalty to Mr. Shaw but indicate that the current course of operations is suboptimal for all minority shareholders, yourself included.

Again, thank you in advance for your attention to these matters, most specifically sharing with me the by-laws as they relate to my sitting for election to the board.

Sincerely,

William B. Thomson

Injecting Sense: The Case for RVP's Liquidation

Introduction

This research report supports the argument for an activist proposal and demonstrates why investors should be interested in Retractable Technologies (NYSE: RVP). We will show (1) why the current operations are unsustainable, (2) how management has put their own self-interest before that of their minority investors, and (3) why the current assets support a significant margin of safety with considerable upside for investors, estimated at 393%.

Liquidation Value Snapshot

Stock price (Dec 31, 2024): $0.64
Market Cap: $20 million
Tangible Book Value: $4.97
Adjusted liquidation value: **$2.52.**
Time until first dividend of $1.51: Dec 2025
Time until remaining $1.09 div, Dec 2031
Projected return of 393%

We propose that liquidation (see liquidation analysis) is the most expedient course of action to realize significant asset value. We believe that the figures (tangible BV of $4.97 per share) almost literally "hit you over the head with a baseball bat," to quote Warren Buffett from 1967. The margin of safety that our analysis demonstrates includes obvious optionality, and we could imagine other courses of action, but we assume that headwinds and operating disappointments continue and ask if the CEO, Thomas J. Shaw, decided to liquidate the company, what would our investment results be? Our conclusions are that (1) the CEO has no recourse except liquidation, and (2) the results are highly favorable to the buyers of this micro-cap stock.

Investors should understand that this investment has the characteristics of an option. There is no guarantee that the Chairman and CEO will not continue to futilely operate in this monopolistic industry dominated by Becton Dickinson (NYSE: BD) and, over time, diminish the significant value that could accrue to his minority shareholders quickly. Mr. David Shaw founded and nurtured this company since 1994 and survived in the face of overwhelming competitive threats. As historians, we applaud Mr. Shaw's accomplishments, but as investors, we advance arguments to the board for liquidation.

RVP Description and Milestones

Retractable Technologies, Inc. (NYSE; RVP) is a thirty-year-old company founded by Mr. David Shaw. RVP's stated mission is "to design, develop, manufacture, and market medical safety devices for the healthcare industry." (RVP website). That broad mission statement obscures the fact that RVP's main product has only been safety syringes, needles, blood collection sets, and catheters. In 2023, VanishPoint syringe sales accounted for 78.3% of total sales. This focus has left RVP at a competitive disadvantage.

VanishPoint is a well designed syringe that "retracts" the needle upon removal from the patient, eliminating further accidental risk to the patient or the medical provider. The NIH reported in 2023 that *"Healthcare workers are still at risk from needlesticks and sharps injuries (NSSI), which can expose them to blood-borne diseases like hepatitis B, hepatitis C, and HIV."* The NIH continues: *"According to the*

United States Occupational Health and Safety Administration (OSHA), 5.6 million HCWs are at risk of occupational exposure to various blood-borne pathogens as a result of NSSIs."

RVP's products are fine. The challenge for the company is not in the design and effectiveness of its products but rather in the competitive landscape, which eliminates any chance of future success and compels us to advance the liquidation proposal.

The estimated value of the syringe market in 2022 was $7.82 billion. We estimate that RVP's market share, going forward, will be less than ½ of one percent, while its primary competitor in the syringe market, Beckton Dickenson, controls between 70% and 80% of the market, depending upon who you ask. Despite the efforts made by management over the last thirty years of the company's existence, its best years were driven primarily by governmental largess, a situation unlikely to repeat itself frequently enough to justify the business as a going concern. During COVID-19, with the Federal government as its primary customer, RVP had sales of $188 million. In the twelve months ending Sept 2024, absent a large federal government customer, RVP sales totaled $38.3 million.

The COVID-19 era successes arose from RVP's contract with the federal government to expand its facilities and supply the government with needles and syringes appropriate for administering the COVID-19 vaccination. The contract had the stated purpose of "supply chain resiliency." The government "invested" $81,000,000 with only modest liabilities and commitments on RVP's part. See below:

> *9.3: Maintenance of equipment and availability of capacity. Recipient agrees that for a period of 10 years following the commissioning of equipment funded by this Agreement, that it shall maintain the equipment in such a way as to ensure that, should the rights established under 9.1 and 9.2 be in effect, there is capacity equal to that which was available at time of commissioning. Further, the Recipient agrees that should the equipment funded by this agreement be unavailable during a period in which the rights under 9.l and 9.2 are in effect, the Recipient will make available to the Government equivalent capacity from equipment not funded under this agreement.*

Notably, a non-assignment agreement permits a merger "into or with another corporate entity." See below:

> *18.5: Non-Assignment. This Agreement may not be assigned by any Party except by operation of law resulting from the merger of a Party into or with another corporate entity.*

Revenues associated with syringe sales to the government totaled $161 million over the three years ending 2022, representing the vast majority of sales over that period. We want to be careful not to bring politics into this analysis, but we would propose that Mr. Shaw worked "the system" well during COVID-19 and deserves credit for finally creating some value for his shareholders after the better part of thirty years, even if that value did not arise from the day to day operations of the business. At this point, every effort should be made to retain that value windfall by liquidating the company before the competitive landscape, and Mr. Shaw's' refusal to face the facts ruins the asset values.

The VanishPoint syringe was used during COVID-19 for 700 million vaccinations.

While the government's first effort at supply chain resilience was a boon for RVP, its most recent efforts cut the other way, creating as much of a headwind for the business as the COVID-19 era policies created a tailwind. In September of 2024, the Federal government instituted a 100% tariff on needles and syringes from the People's Republic of China.

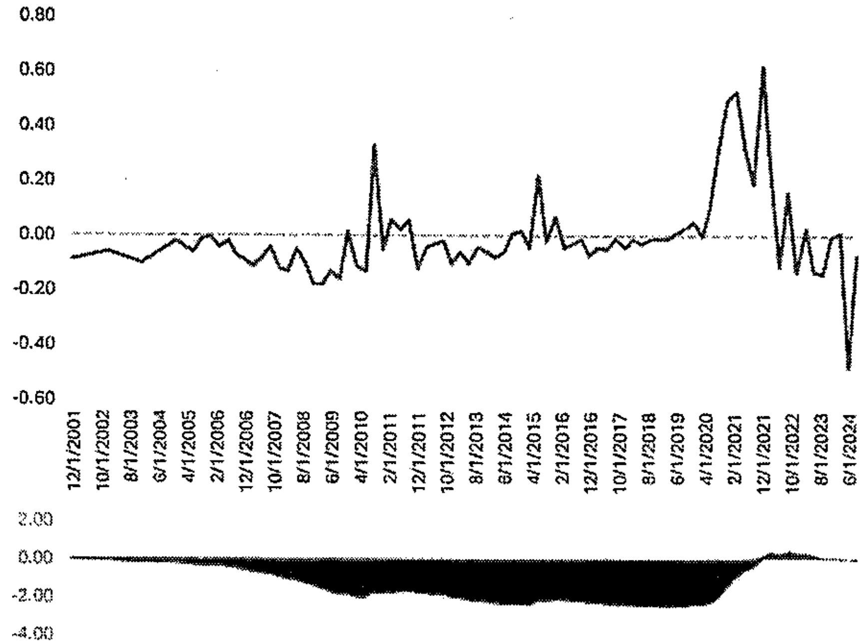
This is unfortunate for RVP. During the first thirty years of its existence, it has survived competition with the larger companies principally by outsourcing its needle and syringe manufacturing to China; this tariff effectively puts RVP at a devastating competitive disadvantage. Interestingly, BD "openly supported the tariffs." One wonders how BD's monopolistic endeavors escape the notice of the Justice Department—BD sources from six countries, including the US, but not from China.

On September 26th, 2024, RVP filed a complaint with the United States Court of International Trade. The complaint makes for revealing reading as the below quotes suggest:

> *"102. During this time, upon information and belief, BD's Chief Executive Officer ("CEO") spoke with the Secretary of Commerce at the Department of Commerce and the White House National Economic Council to drum up support for a syringe and needle tariff.*
>
> *113. Notably, The Antitrust Division of the United States Department of Justice ("DOJ") commented on this docket stating, "Any proposal to increase supply chain resilience that would result in increased consolidation in an industry that already is highly concentrated therefore should be with skepticism." Comment of the Antitrust Div., U.S. Dep't of Just. on Promoting Supply Chain Resilience [Comment ID USTR-2024-0002-0152] (Apr. 22, 2024).*
>
> *163. USTR did not impose this tariff as the result of a Section 301 inquiry, but rather an unrelated "supply chain resilience" inquiry.*
>
> *164. Thus, the imposition of the tariff is not a valid exercise of USTR's review or modification powers under Section 307 of the Trade Act.*

As of today, we are not aware of the results of this complaint. The complaint ends with a "Prayer for Relief," which Google defines as "part of a civil lawsuit complaint where the plaintiff requests a specific outcome from the court." Legal term or not, RVP is operating on a "wing and a prayer," and liquidation remains the best outcome.

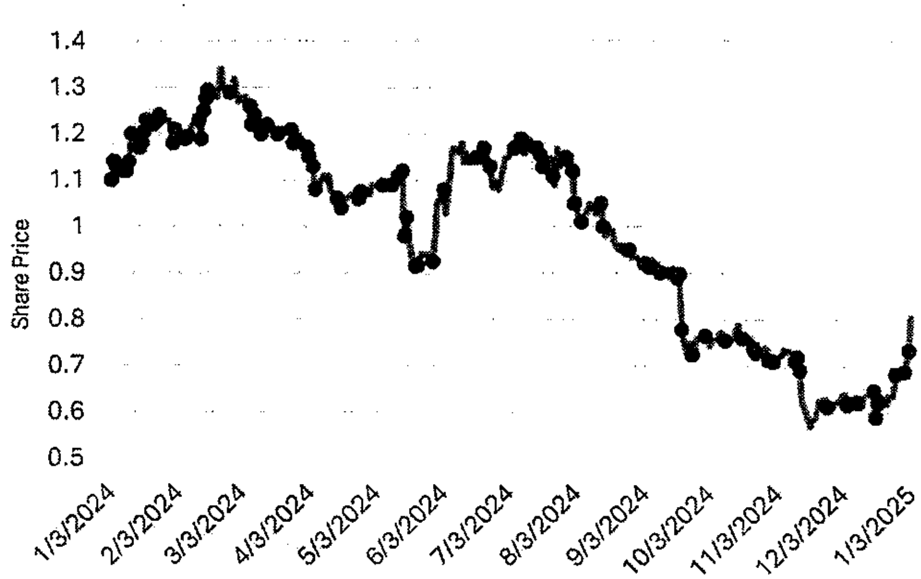
The importance and uniqueness of the COVID-19 period operating results are easy to see in the financials, as is the necessity of liquidating the company. Sales for the three months ending Sept 30, 2024, were $10.3 million versus $23 million two years earlier, but unchanged from the prior YoY quarter. The EPS loss was ($0.07) versus a profit two years earlier of $0.16. Earnings peaked during COVID-19 at $1.37 per share (FY2021), but even that value creation does not rectify the losses made during the firm's entire pre-COVID operating life. From 1999 to 2020, the aggregate fully diluted earnings per share were -$2.60. Inclusive of the COVID-19 years, the firm has lost money on a GAAP earnings basis since 1999. Despite the disappointing operating results, management has created asset value, representing a significant return potential for all investors, so long as Mr. Shaw discontinues wasting it on a desperate effort to survive.



Qtr EPS and Cumulative EPS Loss

Based on Mr. Shaw's regular insider buying, it does appear that he recognizes the asset value created over the last thirty years; at the same time, he does not seem to think minority shareholders should share in their monetization. Mr. Shaw has been a consistent buyer of the firm's stock and plans to buy up to an additional 1,250,000 shares at current prices (4% of shares outstanding as of Sept 30, 2024). See the below disclosure from the 3rd qtr 10Q, released on Nov 14th, about the Aug 22nd decision. As a timelier disclosure is permitted via the submission of an 8-K (stock price of $0.94 on Aug 22nd), we might conclude that Mr. Shaw found it to his advantage to wait until the 10Q (stock price of $0.64 on Nov 14th) was released, to publicly announce this new trading plan, the second in two years.

"On August 22, 2024, Thomas J. Shaw, President, Chairman, and Chief Executive Officer, adopted a written plan for the purchase of Retractable Technologies, Inc. common stock intended to satisfy the affirmative defense conditions of Rule 10b5–1©. The plan provides that trading may begin November 20, 2024 and may continue through November 19, 2025 if not earlier terminated. During this period, the plan instructs a broker-dealer to purchase common stock for an aggregate purchase price of up to $800,000 within certain price parameters." (Source, 3rd qtr 10Q)



Thomas Shaw Insider Purchases (Red Dots)

A recent purchase was on December 18th, when his broker purchased 28,596 shares at $0.60 in the open market. The purchase plan continues in 2025.

We question why Mr. Shaw buys the stock for himself without a stock buyback program that would benefit his minority shareholders. While the current insider buying trend does appear to be in Mr. Shaw's monetary interests, it does nothing for minority shareholders. At the same time, we would note that even if Mr. Shaw regularly buys a dollar for fifty cents, he is likely purchasing more and more of a shrinking pie as he has not, and cannot, develop a strategy to compete with BD. It is better to liquidate now, retain a more significant payout on a smaller percentage, and treat your minority shareholders fairly.

Industry Context

While the global syringe business has a tailwind, RVP has insurmountable headwinds. Here is a comment, from an interview in October of 2024, from a former Becton Dickenson executive:

"For syringes, it's slightly more balanced. I believe, in my opinion, of the five or six global players, maybe one or two has a little bit of extra capacity [RVP is one of those firms]. *Everybody else is selling every syringe they can produce. So I estimate the syringe market to be around 5.5 billion pieces a year. And I believe the capacity is between 5.5 billion5.7 billion. So there's very little, let's say, surge capacity. Almost everybody is selling every syringe they can produce."*

Even in a healthy environment for syringes, RVP is managing to lose money, a trend that will only be exacerbated as the tariffs kick in and RVP must either pass along that cost increase to customers, likely retarding sales volume or move operations to the United States, where the firm has a new production and warehousing facilities, largely paid for by the US Government.

Nevertheless, to quote RVP in a recent announcement: *"No anticipated rise in demand will offset the adverse effects of the tariff, and the lack of foreseeable profitability adds to our financial challenges. These issues underline the significant consequences of the new tariff policy on our operations and financial stability in the near-term. This situation further complicates Retractable' s competitive position in 2024 and beyond."* Clearly, the industry operating context is unfavorable, and liquidation is the path of least resistance.

Furthermore, even in the absence of Tariffs RVP's operations do not achieve desirable economics because the business lacks the necessary scale to compete. According to an executive from Schott Pharma in an interview in October 2024, *"Becton Dickinson, for example, is only active in syringes. Here, they are the absolute market leader, with a market share that is going to be north of 70% globally. That is due to the scale they have built up. They have been active in this segment for a long time. So, Becton Dickinson has enormous advantages on this product side. I said Becton, Dickinson being number one. Number two would be Gerresheimer in syringes. Number three, probably Stevanato. Then number four, SCHOTT. Why does it matter? Because scale matters. It's the number one and number two that are faring well in this segment. The followers, with Stevanato and SCHOTT, I think that financials on the syringes side are going to look much weaker."*

RVP is subscale compared to Stevanato and Schott, let alone Becton Dickinson, and as such, a shift in operations to the more expensive US market is unlikely to be favorable. Furthermore, given the limited spare capacity that exists globally for manufacturing syringes, RVP's US assets represent a potentially valuable addition to the manufacturing base of a more prominent firm that has already achieved the necessary economies of scale. The opportunity to take advantage of the current capacity-constrained environment to monetize asset value will not last forever; we would hate to see the opportunity wasted by a management team that, for thirty years, has failed to gain the scale necessary to operate profitably in this industry.

How Cheap Is RVP?

The short answer is very.

Net working capital. (NCAV) As of Sept 30, 2024, the firm's net working capital was $2.00 per share. Net working capital is defined here as current assets minus current liabilities minus long-term debt. A common assumption is that accounts receivable are self-liquidating and worth close to the disclosed number. The inventory primarily consists of needles and syringes, and while they don't have an indefinite shelf life, they have a long one and can be liquidated at near balance sheet value or cost. While the net working capital has declined since the third quarter of 2022, from $75 million to $60 million, the stock still trades at a discount, which has increased from an attractive 21% to a mouthwatering 69%.

Discount to cash. This is a further extension of the NCAV analysis; as of Sept 30, 2024, the cash and marketable securities on the balance sheet were $36.7 million versus a market cap of $19.2 million, a market cap discount to cash and marketable securities of 48%. The cash burn in the first nine months 2024 was $10.4 million. Of that, almost $4 million was used to purchase further inventory. This is an unacceptable result, but we are confident that Mr. Shaw will get this under control as he has in the past. While the fact that there remain several years before RVP needs to borrow money to support operations is comforting, it is difficult to see how the money spent in the intervening years will generate a return; after all, it never has in the past. Since 1999, the firm has generated a positive return on invested capital only three times, all during the COVID-19 era. Minority investors are poorly served by management's continued financing of the firm's money-losing operations.

Discount to tangible book value may appear old-fashioned in this "new era" of growth, but if you are looking for a "margin of safety," there is no better place to look, even if we confine that analysis to asset value creation during the COVID-19 era. RVP has almost $90 million in new plant and equipment and 35 acres of land in a prime industrial park location. The new plant and equipment is courtesy of the US Government. As of Sept 30, 2024, TBV was $4.97, down in the prior two years from $6.15. At least $0.60 of that decline was represented by non-cash depreciation and an $8 million write-down of the only "squishy" asset, the tax-loss-carry-forward.

Investment Risks

Despite the significant asset value, this is not an investment without risk.

1) No member of the board or the management team, except for Mr. Shaw, has a meaningful investment in RVP common shares. The worst example might be the CFO, Mr. John W. Fort, with 9900 shares. Mr. Fort has been paid well, receiving total compensation of $1,426,538 in 2021 but only $300,000 in 2023. A non-board member executive, Michele M. Larios, General Counsel, owns 800,000 shares. The board is small, with only six members, and no board member has any other board experience at a public company. This is a gross neglect of governance.
2) RVP faces insurmountable uphill battles. A few big companies dominate the industry. BD publicly announced, in 2020, a plan to invest $1.2 billion to boost pre-fillable syringe production over four years. They have six facilities, only one of which is in the United States. The investment gives the potential investor an indication of the scale of competition. Given BD's bundling strategy, the price point is also problematic. The continuing consolidation in the Hospital industry only furthers BD's competitive advantage. As quoted above: "*Why does it matter? Because scale matters. It's the number one and number two that are faring well in this segment*"

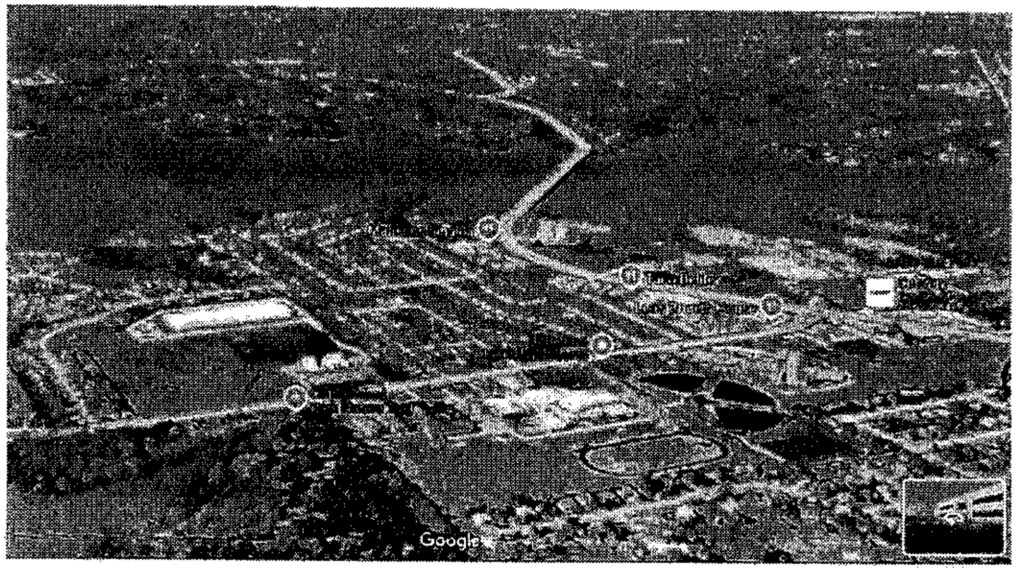
   In a recent conversation with the Director of Supply Management at a large regional hospital system, I asked whether he had heard of RVP, to which he responded, "No." To further emphasize the difficulty of the medical supply industry, he told me that he has approximately 100,000 SKUs from nearly 1,000 manufacturers and distributors. Syringes were the least of his concerns.

3) Time and reluctance are the most significant risks for today's investors. Mr. Shaw receives nearly $3 million yearly from RVP between royalties and pay. If we estimate that the time remaining for RVP as a viable business is five years, Mr. Shaw will have received $15 million in cash from the company, enough to buy in every share he doesn't already own, leaving him with plant & equipment and real estate, with uncertain value. Alternatively for Mr. Shaw, liquidation would create $41 million in cash, and the present value of future cash flows, without the patent risk. The current VanishPoint patent expires in 2028.

Liquidation Model

Liquidation assumptions include:

1) The company liquidates all its assets except for the US facility and keeps the facility in working order, as per the agreement with the Government, until June 2030; the most significant "expense" to the shareholders will be taxes paid on the income associated with the accrual of the TIA "other liability."
2) Inventories are liquidated immediately at 90% of cost.
3) Receivables are self-liquidating over 45 days at 95% of the stated value.
4) Plant and equipment, including thirty-five acres of land, will be sold in June 2031 at 100% of book value. The plant is new, and its location is favorable: it is 30 minutes from the Dallas airport and across the street from Lewisville Lake, surrounded by recreational facilities.
5) The cost of maintaining the plant, including salaries, runs to $1,350,000 per annum through the latest likely date in 2031. The timing of 2031 would be the worst case, and it is important to understand that the first dividend would *distributed in 2025.*



Assuming $25,000,000 of depreciation over the six years to June 2030, the firm's book value is $63,000,000 during the final sale and distribution.

(6) We use an 8% discount rate to determine the discounted present value of the future liquidation and distribution. As the first dividend returns 236% to the investor, we conclude that 8% is justified.

Liquidation Model		USD Except Share Count
Initial Liquidation		
Cash Generated in 52 weeks		61,000,000
Cost of Maintaining plant *(including reserves thru 2031)*	10,500,000	
Legal and Accounting	1,000,000	
Severance costs *($2,356,000 per Shaw contract)*	4,000,000	
Local real estate taxes	250,000	
Total cash needs	15,750,000	
Cash available for distribution		45,250,000
Shares Outstanding		29,937,159
Cash Available Per Share		**$1.51**
Annual Income Statement Post Initial Liquidation		
Interest earned		$375,000
Non-cash TIA accrual		$1,475,000
Expenses incurred		
Legal/Accounting	$250,000	
RE Taxes	$250,000	
Income Taxes	$202,500	
Total	$702,500	
Annual Cash Drain		**-$327,500**
Final Liquidation		
P&E Sales (Assumes no Cap Gain to BV)		$63,000,000
Legal/Broker/Accounting	$4,500,000	
Final Severance	$250,000	
Income taxes on TIA accrual	$4,500,000	
Gross Proceeds		**$53,750,000**
Less cash used (Annual cash drain times 6)		$51,785,000
Discounted at 8% per annum		$30,216,050
Discounted value per share		**$1.01**
Per Share Liquidation Value		$2.52
Return to First Payment		236.17%
Return to Present Value of Second Liquidation		157.71%
Total Return		**393.88%**

Conclusion

RVP's assets are declining, and their value can only be realized in a liquidation. We estimate Mr. Shaw's economic interest will be significantly enhanced by recognizing his predicament and pursuing immediate action. Outside investors stand to make a conservatively calculated 398% return.

Mr. Shaw is abrogating his responsibility to his minority shareholders. If the price of RVP is cheap enough for him to buy, then it is cheap enough for a corporate buyback. But to reiterate, time is not on our side, and further concentrating diminishing assets into the hands of fewer shareholders is not an optimum strategy for the minority shareholders or, in our opinion, for Mr. Shaw's economic interest.

Significant underutilized assets belong to Mr. Shaw *and* his minority shareholders. Liquidating now would benefit the whole shareholder base, including Mr. Shaw and, surprisingly, the employees. In our liquidation proposal, we reserve a significant severance payment that RVP can afford now but might not be able to afford later.

This is an investment with a margin of safety significant enough to justify the risks. Consider the 48% discount of market cap to cash. The company has more than enough assets to provide a handsome return to shareholders, most prominently to Mr. Shaw himself. As you will see from the attached letter, we are approaching management. We will further distribute the letter through PR Newswire.

Exhibit B

ALERT: WILDFIRES AND EMERGENCY EVENTS IN THE LOS ANGELES METRO AREA U.S. MAY ...

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William B Thomson

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TO: (PLEASE PRINT) PHONE ( )

MR. THOMAS J. SHAW
RETRACTABLE TECHNOLOGIES
511 LOBOS LANE
LITTLE ELM, TEXAS

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Little Elm, TX 75068-5295

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Date Accepted (MM/DD/YY): 1/6/25	Scheduled Delivery Time: ☑ 6:00 PM	Insurance Fee: $ / COD Fee: $
Time Accepted: 945 ☑ AM ☐ PM		Return Receipt Fee: $ / Live Animal Transportation Fee: $
Special Handling/Fragile: $ —	Sunday/Holiday Premium Fee: $ —	Total Postage & Fees: $ 32.00
Weight: ☑ Flat Rate lbs. 27 ozs.	Acceptance Employee Initials: NM	

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MR. JOHN W. FORT
RETRACTIBLE TECHNOLOGIES
511 LOBOS LANE
LITTLE ELM, TEXAS

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Ms. Michele M. Larios
Retractable Technologies
511 Lobos Lane
Little Elm, TX

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