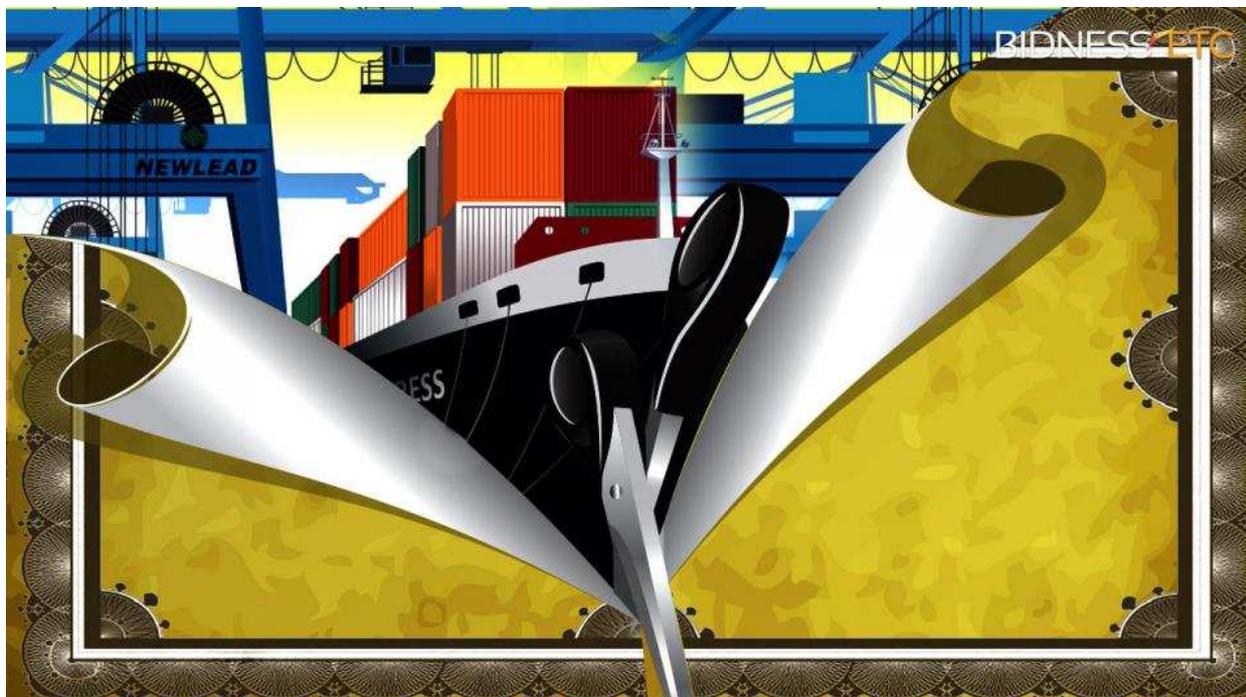


NewLead Announces 1–50 Reverse Stock Split



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NEWL

NewLead Holdings Ltd (NEWL) announced on July 14 after market close a 1-50 reverse stock split. It had been approved by its Board of Directors and through a written consent of majority of shareholders.

The shipping company is listed on the NASDAQ Global Select Market and was issued a determination letter by NASDAQ Listing Staff that the company stands to be delisted. NewLead had failed to meet the minimum \$1 bid price requirement that is required to be listed on the exchange. The stock split was effective from the start of trading on July 15, 2013. NewLead has a hearing scheduled before the NASDAQ Listing Qualification Panel on July 23, where it will try to regain compliance. The decision of the hearing is expected within 30 days of the hearing.

The stock had been declining prior to the split, and further crashed during the session on Tuesday by 32.5%. Following the split, the trading volume also increased significantly. The trade volume was up to 9.3 million, whereas its average daily volume is only 0.77 million shares. Yesterday, it surged to 42.6 million which is around 55x its average daily volume. Consequently it was one of the most active stocks on NASDAQ for the session. The stock price also turned around and soared with a gain of 103.2% closing at \$4.41. The stock did well after-hours, and increased a further 5%.

Earlier this year, NewLead's stock had announced a 1-10 stock split that led the stock price to skyrocket from just \$30 to \$207. However, the company could not sustain the high price and steadily declined to around \$2 in May amid news of issuance of preferred shares.

This is not the first time the company announced a reverse stock split. NewLead underwent 1-50 reverse stock splits on May 15 to prevent its stock price from going below \$1.0. At that time the prices went up to \$220 but again plummeted following news that Ironridge Global IV, Ltd., an investor in the company was illegally issuing NewLead's shares.