

**The purpose of this assignment was to practice conciseness by shortening a lengthy news story so that it reported only the crucial facts.**

Cristina Dunning

J440, CEO Resignation

April 14, 2010

Stock prices rise after Joltin' Java CEO resigns

Joltin' Java shares (JJV, NYSE) rose almost 40 percent yesterday following the resignation of founder and CEO Bradley Thomasen.

Thomasen, 33, founded the company in 1997 as a small string of drive-up coffee kiosks in southern Ohio. Today the company has more than 2,000 walk-in shops, 3,500 drive-up kiosks and an online site.

Thomasen's resignation, announced on the company's website ([www.joltin.com](http://www.joltin.com)), addressed employees, shareholders, and customers. Thomasen said he "regretted" the past year's performance and resigned "because of a short-sighted board of directors who demand that each fiscal quarter is better than the previous one, no matter how successful that earlier quarter was." He added, "this is impossible."

In fiscal year 2009 the company collectively grossed \$357 million, but it declared an \$18 million loss—a decrease from previous years. In 2008 the company grossed \$412 million and profited \$67 million, and in 2007 shares peaked at \$74 each.

Anonymous financial analysts said that the decrease was due to "several poor expansion decisions" made by the board in 2005.

In 2005 Joltin' Java bought-out the "Café Joe" chain for a combination of \$150 million and 200,000 JJV shares. The chain failed and 72 of the 92 locations closed by early 2006. The remaining 20 were incorporated under the Joltin' Java name.

Thomassen said in his resignation that he had advised against the "Café Joe" purchase, but was outvoted by the board.

Joltin' Java went public in 2004 on the advice of Grizzly Stern brokerage firm. Over 13 million shares were sold at \$45 per share, making Thomassen an instant multi-millionaire. After one year, Fortune magazine estimated Thomassen's wealth at more than \$600 million.

However, in Thomassen's resignation announcement he said he wished he had never allowed the company to go public.

When asked why Joltin' Java's stock dramatically rose after Thomassen's resignation, William Shepherd, broker for Thomas Erwin and Associates, said, "Shareholders can be a peculiar lot. Clearly, many of them hope for better days for Joltin' Java, and the stock rise is a sure sign of it." Before Thomassen's announcement, price per share for JJV was \$29.10, it peaked at \$40, and closed at \$36 Tuesday, 4 p.m. Eastern time.

Thomassen dropped out of school in 1998 to found Joltin' Java. He now plans to finish his journalism degree at Ohio University, in Athens.

The board met late yesterday afternoon to appoint an interim CEO, but no decision has been made.

No board member would comment on Thomassen's claims or resignation.