**Risk Factors Comparison 2024-03-22 to 2023-03-17 Form: 10-K**

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Certain factors may have a material adverse effect on our business, financial condition and results of operations. You should consider carefully the risks and uncertainties described below, in addition to other information contained in this Annual Report on Form 10- K, including our financial statements and related notes. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that adversely affect our business. If any of the following risks actually occurs, our business, financial condition, results of operations, and future prospects could be materially and adversely affected. In that event, the trading price of our Class B common stock could decline, and you could lose part or all of your investment. Strategic Risks If we fail to offer products that customers want to purchase, our business and results of operations could be adversely affected. Our products must satisfy the desires of customers, whose preferences change over time. In order to be successful, we must design, obtain and offer to customers innovative and high- quality products on a continuous and timely basis. Failure to effectively respond to customer needs and preferences, or convey a compelling brand image or price- to- value equation to customers may result in lower net sales and gross profit margins. Our success depends in part on management' s ability to effectively anticipate or identify customer needs and preferences and respond quickly with marketable product offerings in advance of the actual time of sale to the customer. Even if we are successful in anticipating or identifying our customers' needs and preferences, we must continue to develop and introduce innovative, high- quality products and product features in response to changing consumer demand. Factors that could affect our ability to accurately forecast consumer demand for our products include: ? a failure in our solution- based design process to accurately identify the problems our customers are experiencing with commonly available apparel and gear or a lack of customer acceptance of new products or product features we design; ? customer unwillingness to attribute premium value to our new products or product features we design relative to the commonly available apparel and gear they were intended to replace; ? new, well- received product introductions by competitors; ? weak economic conditions or consumer confidence, which reduce demand for our products; and ? terrorism, civil unrest or acts of war, or the threat thereof, which adversely affect consumer confidence and spending and / or interrupt production and distribution of products and raw materials. There can be no assurance that we will be able to successfully anticipate or identify our customers' needs and preferences and design products and product features in response. These risks could have a material adverse effect on our brand as well as our results of operations and financial condition. Our business depends on our ability to maintain strong brands and sub brands. We may not be able to maintain and enhance the Duluth Trading brands if we receive unfavorable complaints, negative publicity or otherwise fail to live up to consumers' expectations, which could materially adversely affect our business, results of operations and growth prospects. We currently offer a differentiated brand to our customers defined by solution- based products manufactured with high quality craftsmanship, humorous and distinctive marketing, and an outstanding customer experience. Maintaining and enhancing the Duluth Trading brand is critical to expanding our base of customers. If we fail to maintain our brand, or if we incur excessive expenses in this effort, our business, operating results and financial condition may be materially adversely affected. We anticipate that, as we raise our profile nationally and attract an increasing amount of competition, maintaining and enhancing our brand may become increasingly difficult and expensive and may require us to make substantial additional investments in areas such as marketing, store operations, merchandising, technology and personnel. Customer complaints or negative reactions to, or unfavorable publicity about, our product quality or product features, our storytelling or irreverent advertising, the shopping experience on our website or in our retail stores, product delivery times, customer data privacy and security practices or customer support, especially on blogs, social media, other third- party websites and our website, could rapidly and severely diminish consumer use of our website and catalogs, visits to our retail stores and consumer confidence in us and result in harm to our brand. Furthermore, these factors could cause our customers to no longer 9feel a personal connection with the Duluth Trading brand, which could result in the loss of customers and materially adversely affect our business, results of operations and growth prospects. We may face risks and ~~new~~ challenges ~~associated with our~~ **if we pursue further** geographic expansion. Our expansion into new geographic markets could result in increased ~~competitive~~ **competition** ~~,~~ **and** merchandising, distribution and other challenges. We may encounter difficulties in attracting customers in our new retail store locations due to a lack of customer familiarity with our brand, our lack of familiarity with local customer preferences, competition with new competitors or with existing competitors with a large, established market presence and seasonal differences in the market. Our ability to expand successfully into other geographic markets will depend on acceptance of our retail store experience by customers in those markets, including our ability to design our stores in a manner that resonates locally and to offer the correct product assortment to appeal to consumers in such markets. There can be no assurance that any newly opened stores will be received as well as, or achieve net sales or profitability levels consistent with, our projected targets or be comparable to those of our existing stores in the time periods estimated by us, or at all. If our stores fail to achieve, or are unable to sustain, acceptable net sales and profitability levels, our business, results of operations and growth prospects may be materially adversely affected. Furthermore, our retail stores may be located in regions that will be far from our Mount Horeb, Wisconsin headquarters and will require additional management time and attention. Failure to properly supervise the operation and maintain the consistency of the customer experience in those retail stores could result in loss of customers and potentially harm future net sales prospects. The success of our direct- to- consumer channel depends on customers' use of our digital platform, including our website, and response to digital marketing; if our overall marketing strategies are not successful, including our maintenance of a robust customer list and ability to effectively customize our marketing efforts based on understanding customers preferences, our business and results of operations could be materially adversely affected. The level of customer traffic and volume of customer purchases through our direct- to- consumer channel is substantially dependent on our ability to provide a content- rich and user- friendly website, a fun, easy and hassle- free customer experience and reliable delivery of our products. If we are unable to maintain and increase customers' use of our e- commerce platform, including our website, and the volume of purchases decline, our business and results of operations could be adversely affected. Customer response to our digital marketing is substantially dependent on merchandise assortment, merchandise availability and creative presentation, as well as the selection of customers to whom our digital marketing is directed and our catalogs are sent. Our maintenance of a robust customer list, which we believe includes desirable demographic characteristics for the products we offer, has also been a key component of our overall strategy. If the performance of our website and email declines, or if our overall marketing strategy is not successful, our business, results of operations and stock price could be adversely affected. If we fail to acquire new customers, or fail to do so in a cost- effective manner, we may not be able to increase net revenue or profit per active customer. Our success depends on our ability to acquire customers in a cost- effective manner. In order to expand our customer base, we must appeal to and acquire customers who identify with the Duluth Trading brand. We have made significant investments related to customer acquisition and expect to continue to spend significant amounts to acquire additional customers. For example, our national television advertising campaigns are expensive and may not result in the cost- effective acquisition of customers. Furthermore, as our brand **has** ~~becomes~~ - **become** more widely known in the market, ~~future~~ **our** marketing campaigns ~~may~~ **have** not ~~result~~ **resulted** in ~~the~~ acquisition of new customers at the same rate as past campaigns **, and this trend may continue in the future** . We also use other paid and non- paid advertising. Our paid advertising includes search engine marketing, display advertising and paid social media. Our non- paid advertising efforts include search engine optimization, non- paid social media and email. We obtain a significant amount of traffic via search engines and, therefore, rely on search engines such as Google, Yahoo! and Bing. Search engines frequently update and change the logic that determines the placement and display of results of a user' s search, such that the purchased or algorithmic placement of links to our sites can be negatively affected. Moreover, a search engine could, for competitive or other purposes, alter its search algorithms or results, causing our sites to place lower in search query results. A major search engine could change its algorithms in a manner that negatively affects our paid or non- paid search ranking, and competitive dynamics could impact the effectiveness of search engine marketing or search engine optimization. We also obtain a significant amount of traffic via social networking websites or other channels used by our current and prospective customers. As e- commerce and social networking continue to rapidly evolve, we must continue to establish relationships with these channels and may be unable to develop or maintain these relationships on acceptable terms. Additionally, digital advertising costs may continue to rise and as our usage of these channels expands, such costs may impact our ability to acquire new customers in a cost- effective manner. **As** ~~If the level of~~ usage of these channels by our customer base ~~10does~~ **has** not ~~grow~~ **grown** ~~as~~ **10as** expected, we ~~may~~ **have** ~~suffer~~ **suffered** a decline in customer growth ~~or~~ **and** net sales. A ~~significant~~ **continued** decrease in the level of usage or customer growth ~~would~~ **may** have a material adverse effect on our business, financial condition and operating results. We cannot assure you that the net profit from new customers we acquire will ultimately exceed the cost of acquiring those customers. If we fail to deliver an outstanding customer experience, or if consumers do not perceive the products we offer to be manufactured with high quality craftsmanship, we may not be able to acquire new customers. If we are unable to acquire new customers, our growth prospects may be materially adversely affected. If we cannot compete effectively in the apparel, footwear and accessories industry, our business and results of operations may be adversely affected. The apparel, footwear and accessories industry is highly competitive. We compete with a diverse group of direct- to- consumer companies and retailers, including men' s and women' s specialty apparel chains, outdoor specialty stores, apparel catalog businesses and online apparel businesses that sell competing lines of merchandise. Our competitors may be able to adopt more aggressive pricing policies, adapt to changes in customers' needs and preferences more quickly, devote greater resources to the design, sourcing, distribution, marketing and sale of their products or generate greater national brand recognition than us. In addition, as our business continues to expand, our competitors may seek to increase efforts to imitate our product designs, which could adversely affect our business and results of operations. An inability to overcome these potential competitive disadvantages or effectively market our products relative to our competitors could have an adverse effect on our business and results of operations. We may engage in strategic transactions that could negatively impact our liquidity, increase our expenses and present significant distractions to management. We may consider strategic transactions and business arrangements, including, but not limited to, acquisitions, asset purchases, partnerships, joint ventures, restructurings and investments. Any such transaction may require us to incur non- recurring or other charges, may increase our near and long- term expenditures and may pose significant integration challenges or disrupt our management or business, which could harm our operations and financial results. If we fail to ~~achieve~~ **manage** our growth ~~strategy~~ **effectively** ,our business,financial condition and operating results could be harmed.To ~~achieve~~ **manage** our growth ~~strategy~~ **effectively** ,we must continue to implement our operational plans and strategies,improve and expand our infrastructure of people,information systems and facilities and expand,train and manage our employee base.To support continued growth,we must effectively integrate,develop and motivate a large number of employees.Failure to improve and expand our infrastructure of employees may have a material adverse effect on our business,financial condition and operating results.Additionally,the growth ~~strategy~~ of our business places significant demands on our management and other employees.The growth of our business may require significant additional resources to meet these daily demands,which may not scale in a cost- effective manner or may negatively affect the quality of our website,retail stores,fulfillment centers,call center and other aspects of the customer experience.We are also required to manage relationships with a growing number of suppliers,customers and other third parties.Our information technology systems and our internal controls and procedures may not be adequate to support future growth of these relationships.If we are unable to ~~achieve~~ **manage** the growth ~~strategy~~ of our organization **effectively** ,our business,financial condition and operating results may be materially adversely affected **.** Operational Risks Economic uncertainties may continue to adversely affect our business operations, store **and website** traffic, employee availability, financial condition, liquidity, and cash flow for an extended period of time. The ongoing economic uncertainty ~~following the pandemic of the Coronavirus (" COVID- 19 ")~~ continues to affect our business operations and it is impossible to predict the effect and ultimate impact of ongoing economic uncertainties. Business activities continue to face economic uncertainties, including but not limited to increased inflation and interest rates ~~, the prolonged COVID- 19 pandemic,~~ and global **supply** chain constraints. The economic uncertainties may continue for an extended period and have adversely impacted, and may continue to impact, our business. As inflationary periods continue, consumer fear may adversely affect traffic to our stores **and website** . Reductions in customer visits to, and spending at, our stores **and website** caused by economic uncertainties ~~would~~ **have** ~~result~~ **resulted** in ~~further~~ **a** loss of retail store sales and profits and other material adverse effects. The extent of the impact on our business, financial results, liquidity and cash flows will depend largely on future developments, all of which are highly uncertain and cannot be predicted. ~~These~~ **11These** and other potential impacts of economic uncertainties could therefore materially and adversely affect our business, financial condition and results of operations. We rely on sources for merchandise located in foreign markets, and our business may therefore be adversely affected by legal, regulatory, economic and political risks associated with international trade and those markets. Our reliance on suppliers in foreign markets creates risks inherent in doing business in foreign jurisdictions, including: ? transportation delays and interruptions, including due to port congestion and the failure of suppliers or distributors to comply with import regulations; ? the burdens of complying with a variety of foreign laws and regulations, including trade and labor restrictions, import / export laws and regulations, and local intellectual property laws and rights owned by third parties; ? changes in U. S. and non- U. S. laws (or changes in the enforcement of those laws) affecting the importation and taxation of goods, including disallowance of tax deductions for imported merchandise, imposition of unilateral ~~11tariffs~~ -- **tariffs** on imported goods, duties, quotas, enhanced security measures at U. S. ports or imposition of new legislation relating to import quotas; ? economic and political instability in the countries and regions where our suppliers are located; ? compliance with U. S. and other country laws relating to foreign operations, including the Foreign Corrupt Practices Act, which prohibits U. S. companies from making improper payments to foreign officials for the purpose of obtaining or retaining business; ? increases in shipping, labor, fuel, travel and other transportation costs; ? the imposition of anti- dumping or countervailing duty proceedings resulting in the potential assessment of special anti- dumping or countervailing duties; ? political instability, war and acts of terrorism; and ? the occurrence of a natural disaster, unusual weather conditions, or prolonged public health crises, epidemics or pandemics in foreign countries from which we source our products. The occurrence of one or more of these events could result in disruptions to our operations, which in turn could increase our cost of goods sold, decrease our gross profit, or impact our ability to deliver to our customers. New initiatives may be proposed in the United States that may have an impact on the trading status of certain countries and may include retaliatory duties or other trade sanctions that, if enacted, would increase the cost of products purchased from suppliers in such countries with which we do business. Any inability on our part to rely on our foreign sources of production due to any of the factors listed above could have an adverse effect on our business, results of operations and financial condition. If we fail to timely and effectively obtain shipments of products from our suppliers and deliver merchandise to our customers, our business and operating results could be adversely affected. We do not own or operate any manufacturing facilities and therefore depend upon independent third- party suppliers for the manufacture of our merchandise. We cannot control all of the various factors that might affect timely and effective procurement of supplies of product from our third- party suppliers and delivery of merchandise to our customers. A majority of the products that we purchase must be shipped to our fulfillment centers in Wisconsin, Iowa **, Georgia** and Utah. While our reliance on a limited number of fulfillment centers provides certain efficiencies, it also makes us more vulnerable to natural disasters, weather- related disruptions, accidents, system failures, public health pandemics, or other unforeseen causes that could delay or impair our ability to fulfill customer orders and / or ship merchandise to our stores, which could adversely affect sales. Our ability to mitigate the adverse impacts of these events depends in part upon the effectiveness of our disaster preparedness and response planning, as well as our business continuity planning. Our use of imports also makes us vulnerable to risks associated with products manufactured abroad, including, among other things, risks of damage, destruction or confiscation of products while in transit to a fulfillment center or at points of export or import, organized labor strikes and work stoppages, transportation and other delays in shipments, including as a result of heightened security screening and inspection processes or other port- of- entry limitations or restrictions in the United States, unexpected or significant port congestion, lack of freight availability and freight cost increases. In addition **, as has happened in the past** , if we experience a shortage of a popular item, we may be required to arrange for additional quantities of the item, if available, to be delivered through airfreight, which is significantly more expensive than standard shipping by sea. We may not be able to obtain sufficient freight capacity on a timely basis or at favorable shipping rates and, therefore, may not be able to receive merchandise from suppliers or deliver products to customers in a timely and cost- effective manner. ~~Competitive~~ **12Competitive** pricing pressures with respect to shipping our products to our customers may harm our business and results of operations. Given the size of our direct- to- consumer net sales relative to our total net sales, shipping and handling revenue has had a significant impact on our gross profit and gross profit margin. Historically, this revenue has partially offset our shipping and handling expense included in selling, general and administrative expenses. Online and omnichannel retailers are increasing their focus on delivery services, with customers increasingly seeking faster, guaranteed delivery times and low- price or free shipping. Higher direct- to- consumer net sales has resulted and may continue to result in additional peak surcharges assessed by our delivery partners. To remain competitive, we have been required to offer discounted, free or other more competitive shipping options to our customers, which has resulted in declines in our shipping and handling revenue and increased shipping and handling expense. We expect further declines in shipping and handling revenues as compared to prior years. Further declines in shipping and handling revenues may have a material adverse effect on our gross profit and gross profit margin, as well as our Adjusted EBITDA to the extent there are not commensurate declines, or if there are increases, in our shipping and handling expense. ~~12We~~ **We** rely on third- party service providers ~~, such~~

~~as UPS and the United States Postal Service (" USPS "),~~ to deliver products purchased through our direct- to- consumer channel to our customers and our business could be negatively impacted by disruptions in the operations of these third- party service providers. Relying on third- party service providers puts us at risk from disruptions in their operations, such as employee strikes, inclement weather and their inability to meet our shipping demands. Our efforts to mitigate the impact of future thresholds may not be successful or may result in similar surcharges. Moreover, we may be unable to obtain terms as favorable as those received from the transportation providers we currently use, which would further increase our costs. In addition, if our products are not delivered to our customers on time, our customers may cancel their orders or we may lose business from these customers in the future. We may be subject to shipping surcharges and thresholds during the peak holiday shopping season, which may have a negative impact on our earnings. These factors may negatively impact our financial condition and results of operations. Dependence on our e- commerce sales channel subjects us to numerous risks that could have a material adverse effect on our business, financial condition and results of operations. Our results of operations and financial condition are dependent on maintaining our e- commerce business and expanding our e- commerce business is an important part of our growth strategy. Dependence on our e- commerce business and its continued growth subjects us to certain risks, including: ? diversion of traffic from our stores; ? liability for online content; ? the need to keep pace with rapid technological change; ? government regulation of the Internet, including taxation; and ? threats to the computer systems that operate our website and related support systems, including viruses, malware and other malicious code, misconfiguration, systems failure or inadequacy, compromise or unauthorized access and similar disruptions. Our failure to successfully respond to these risks and uncertainties could reduce our e- commerce sales, increase our costs, diminish our growth prospects, and damage our brand **and reputation** , which could negatively impact our business, financial condition and results of operations. Increases in the price of raw materials, fuel and labor, or their reduced availability, could increase our cost of goods and cause delays. The price and availability of raw materials may fluctuate substantially, depending on a variety of factors, including demand, acreage devoted to cotton crops and crop yields, weather patterns, supply conditions, transportation costs, energy prices, work stoppages, government regulation and government policy, economic climates, market speculation and other unpredictable factors. Fluctuations in the price and availability of fuel, labor and raw materials, such as cotton, could affect our cost of goods and an inability to mitigate these cost increases, unless sufficiently offset with our pricing actions, might cause a decrease in our profitability, while any related pricing actions might cause a decline in our sales volume. Additionally, any decrease in the availability of raw materials could impair our ability to meet our production or purchasing requirements in a timely manner. Both the increased cost and lower availability of merchandise, raw materials, fuel and labor may have an adverse impact on our cash flow and working capital needs as well as those of our suppliers. ~~We~~ **13We** rely upon third- party land- based and air freight carriers for merchandise shipments from our fulfillment centers to customers and our retail stores. Accordingly, we are subject to the risks, including labor disputes, union organizing activity, inclement weather and increased transportation costs, associated with such carriers' ability to provide delivery services to meet outbound shipping needs. In addition, if the cost of fuel rises, the cost to deliver merchandise from fulfillment centers to customers and our retail stores may rise and, although some of these costs are paid by our customers, such costs could have an adverse impact on our profitability. Failure to procure suppliers of products from our third- party suppliers and deliver merchandise to customers and our retail stores in a timely, effective and economically viable manner could damage our reputation and adversely affect our business. In addition, any increase in distribution costs and expenses could adversely affect our future financial performance. ~~13If~~ **If** our key suppliers or service providers were unable or unwilling to provide the products and services we require, our business could be adversely affected. Our products are sourced through third- party purchasing agents and a variety of domestic and international suppliers. If these suppliers are unable or unwilling to provide the products or services that we require or materially increase their costs, our ability to offer and deliver our products on a timely and profitable basis could be impaired, which could have a material adverse effect on our business, financial condition and results of operations. We cannot assure that any or all of our relationships will not be terminated or that such relationships will continue as presently in effect. Furthermore, if any of our significant suppliers were to become subject to bankruptcy, receivership or similar proceedings, customs actions, or other legal actions, we may be unable to arrange for alternate or replacement relationships on terms as favorable as our current terms, which could adversely affect our sales and operating results. Our growth strategy is influenced by the willingness and ability of our suppliers to efficiently manufacture our products in a manner that is consistent with our standards for quality and value. If we cannot obtain a sufficient amount and variety of quality products at acceptable prices, it could have a negative impact on our competitive position. This could result in lower revenue and decreased customer interest in our product offerings, which, in turn, could adversely affect our business and results of operations. Our arrangements with our suppliers are generally not exclusive. As a result, our suppliers might be able to sell similar or identical products to certain of our competitors, some of which purchase products in significantly greater volume. Our competitors may enter into arrangements with suppliers that could impair our ability to obtain our products from those suppliers, including by requiring suppliers to enter into exclusive arrangements, which could limit our access to such arrangements or products. We rely on third parties to provide us with services in connection with certain aspects of our business, and any failure by these third parties to perform their obligations could have an adverse effect on our business and results of operations. We have entered into agreements with third parties for logistics services, information technology systems (including hosting our website), operating our call center during certain hours, software development and support, catalog production, select marketing services, processing gift card activity, distribution and packaging and employee benefits. Services provided by any of our third- party suppliers could be interrupted as a result of many factors, such as acts of nature or contract disputes. Any failure by a third party to provide us with services for which we have contracted on a timely basis or within service level expectations and performance standards could result in a disruption of our business and have an adverse effect on our business and results of operations. Inventory shrinkage could have a material adverse effect on our business, financial condition and results of operations. We are subject to the risk of inventory loss and theft. Although our inventory shrinkage rates have not been material, or fluctuated significantly in recent years, we cannot assure you that actual rates of inventory loss and theft in the future will be within our estimates or that the measures we are taking will effectively reduce the problem of inventory shrinkage. Although some level of inventory shrinkage is an unavoidable cost of doing business, if we were to experience higher rates of inventory shrinkage or incur increased security costs to combat inventory theft, it could have a material adverse effect on our business, financial condition and results of operations. We are subject to data security and privacy risks that could negatively affect our results, operations or reputation. In the normal course of business we often collect, retain and transmit customer personal and credit card information, employee personal information, and other sensitive and confidential information. The protection of customer and employee information, and the Company' s intellectual property, from potential threats is vitally important to the Company. Consumers and employees continue to have significant concerns about the security of personal information, especially when transmitted over the Internet, and the use, retention, disclosure, and privacy of such information. We continually evaluate and upgrade our information systems, security measures, and practices to combat the ever- evolving cyber risks and to comply with our legal and regulatory obligations, and we provide cybersecurity awareness training around phishing, social engineering, and other cyber ~~risks~~ **14risks** to our employees, in an effort to elevate our cybersecurity posture and give our workforce the skills to both avoid and report cyber threats. Despite our risk management efforts, vendor due diligence, and security measures, our facilities and systems and those of our third- party service providers, are subject to increasingly complex cyber risks, including cyber extortion, data breaches, unauthorized access, denial of service, vendor or employee misconduct, ransomware and other malicious software, and data exfiltration. We and our employees and customers could suffer significant harm if any personal, financial, or credit card information was accessed or disclosed by an unauthorized third party, or our information technology systems or those of our third party providers were compromised or subject to data loss, exfiltration, corruption, or disruption. Any security incident or data breach could severely damage our reputation and our relationships with customers, business partners and employees, cause us to incur significant costs and expenses to investigate, remediate and notify affected individuals, and expose us to an increased risk of litigation, regulatory enforcement, fines and penalties, and other losses and ~~14liabilities~~ -- **liabilities** . In addition, the media and public scrutiny of information security and privacy has become more intense and the regulatory environment has become more complex and uncertain due to recent high-profile privacy and security incidents and legislative efforts across the globe. As a result, we may incur significant costs to comply with laws regarding the use, retention, disclosure, security, and privacy of personal information. We rely significantly on information technology, and any inadequacy, interruption, integration failure or security failure of this technology could harm our ability to effectively operate our business. Our ability to effectively manage and operate our business depends significantly on information technology systems. We rely heavily on information technology to track sales and inventory and manage our supply chain. We are also dependent on information technology, including the Internet, for our direct- to- consumer sales, including our e- commerce and catalog operations and retail business credit card transaction authorization. Despite our preventative efforts, our systems and those of our third- party service providers may be vulnerable to damage or interruption. The failure of these systems to operate effectively, problems with transitioning to upgraded or replacement systems, difficulty in integrating new systems or systems of acquired businesses or a breach of security of these systems could adversely impact the operations of our business, including disruption of our ability to accept and fulfill customer orders, effective management of inventory, inefficient ordering and replenishment of products, e- commerce operations, retail business credit card transaction authorization and processing, corporate email communications and our interaction with the public on social media. Our failure to retain our executive management team and to attract qualified new personnel could adversely affect our business and results of operations. We depend on the talents and continued efforts of our executive management team. The loss of members of our executive management may disrupt our business and adversely affect our results of operations. Furthermore, our ability to manage further expansion will require us to continue to attract, motivate and retain additional qualified personnel. We believe that having an executive management team with qualified personnel who are passionate about our brand, have extensive industry experience and have a strong customer service ethic has been an important factor in our historical success, and we believe that it will continue to be important to growing our business. Competition for these types of personnel is intense, and we may not be successful in attracting, integrating and retaining the personnel required to grow and operate our business profitably. An inability to attract and retain qualified employees to meet our staffing needs in our corporate office, stores, fulfillment centers or call center could result in higher payroll costs and adversely affect our operating results. Our performance is dependent on attracting and retaining a large number of qualified employees. Many of our strategic initiatives require that we hire and / or develop associates with appropriate experience. Attracting and retaining a sufficient number of qualified employees to meet our staffing needs may be difficult, ~~since~~ **because** the competition for these types of personnel is intense. Many of our staffing needs in our stores, fulfillment centers and call center are entry- level or part- time positions with historically high rates of turnover. If we cannot attract and retain employees with the qualifications we deem necessary to meet our staffing needs in our corporate office, stores, fulfillment centers and call center, our ability to effectively operate may be adversely affected. In addition, our staffing needs are especially high during the peak holiday season. We cannot be sure that we will be able to attract and retain a sufficient number of qualified personnel in future periods. Our business is seasonal, and if we do not efficiently manage inventory levels, our results of operations could be adversely affected. Our business is subject to seasonal influences, with increased net sales and net income realized during the fourth quarter of our fiscal year, which includes the holiday season. ~~See Part I, Item 1 Business, under the heading " Seasonality, " for our net sales and net income realized during the fourth quarter of our fiscal year for each of the past two fiscal years.~~ We must maintain sufficient inventory levels to operate our business successfully, but we must also avoid accumulating excess inventory, which increases working capital needs and potentially lowers gross margins. We obtain substantially all of our inventory from suppliers located outside the United States. Some of these suppliers often require lengthy advance notice of ~~order~~ **15order** requirements in order to be able to manufacture and supply products in the quantities requested. This usually requires us to order our products, and enter into commitments for the purchase of our products, well in advance of the time these products will be offered for sale. As a result, it may be difficult to respond to changes in customer demand. If we do not accurately anticipate the future demand for a particular product or the time it will take to obtain new inventory, inventory levels will not be appropriate and our results of operations could be adversely affected. We expect a disproportionate amount of our net sales to occur during our fourth quarter. If we do not stock or restock popular products in amounts sufficient to meet customer demand, it could significantly affect our revenue and our future growth. If we overstock products, we may be required to take significant inventory markdowns or write- offs and incur ~~15commitment~~ -- **commitment** costs, which could reduce profitability. We may experience an increase in our net shipping cost due to complimentary upgrades, split- shipments and additional long- zone shipments necessary to ensure timely delivery for the holiday season. Furthermore, if too many customers access our website within a short period of time due to increased holiday demand, we may experience system interruptions that could make our website unavailable or prevent us from efficiently fulfilling orders, which may reduce the volume of products we sell as well as the attractiveness of our product offerings. In addition, we or our third- party service providers may be unable to adequately staff our fulfillment and customer service centers during these peak periods, and our delivery service providers and other fulfillment companies may be unable to meet the peak seasonal demand. As a result of holiday sales, inventories, accounts payable and borrowings under our revolving line of credit typically reach their highest levels in October or November of each year (other than as a result of cash flow provided by or used in investing and financing activities). Inventories, accounts payable and borrowings under our revolving line of credit then typically decline steadily during the holiday season, resulting in our cash typically reaching its highest level, and borrowings under our revolving line of credit reaching their lowest level, typically near December 31 of each year. If we fail to manage our growth...... results may be materially adversely affected. Financial RisksOur net sales and profits depend on the level of consumer spending for apparel, footwear and accessories, which is sensitive to general economic conditions and other factors. An economic recession or a decline in consumer spending could have a material adverse effect on our business and results of operations. The apparel, footwear and accessories industry has historically been subject to cyclical variations and is particularly affected by adverse trends in the general economy. The success of our business depends on consumer spending. There are a number of factors that influence consumer spending, including actual and perceived economic conditions, disposable consumer income, interest rates **, inflation** , consumer credit availability, unemployment, stock market performance, extreme weather conditions, energy prices and tax rates in the national, regional and local markets where we sell our products. A decline in actual or perceived economic conditions or other factors could negatively impact the level of consumer spending and have a material adverse impact on our business and results of operations. We are subject to payment- related risks. We accept payments using a variety of methods, including credit cards, debit cards, Paypal, gift cards and physical bank checks. For existing and future payment methods we offer to our customers, we may become subject to additional regulations and compliance requirements (including obligations to implement enhanced authentication processes that could result in increased costs and reduce the ease of use of certain payment methods), as well as fraud. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time, raising our operating costs and lowering profitability. We rely on third- party service providers for payment processing services, including the processing of credit and debit cards. In each case, it could disrupt our business if these third- party service providers suffer a data breach, or become unwilling or unable to provide these services to us. We are also subject to payment card association operating rules, including data security rules, certification requirements and rules governing electronic funds transfers, which could change or be reinterpreted to make it difficult or impossible for us to comply. If we fail to comply with these rules or requirements, or if our systems containing payment information are breached or compromised, we may be liable for card issuing banks' costs, subject to fines and higher transaction fees and / or lose our ability to accept credit and debit card payments from our customers and process electronic funds transfers or facilitate other types of payments, and our business and operating results could be adversely affected. ~~16We~~ **We** depend on cash generated from our operations to support our growth, which could strain our growth. We primarily rely on cash flow generated from our direct- to- consumer and retail store sales and borrowings under our credit facility to fund our current operations and our growth initiatives. As we expand our business, we will need significant amounts of cash to pay our existing and future lease obligations, purchase inventory, pay personnel and invest in our infrastructure and facilities. If our business does not generate sufficient cash flow from operations to fund these activities and ~~sufficient~~ **16sufficient** funds are not otherwise available from our existing revolving credit facility or future credit facilities, we may need additional equity or debt financing. If such financing is not available to us on satisfactory terms, our ability to operate and expand our business or to respond to competitive pressures would be limited and we could be required to delay, curtail or eliminate planned investments and other activities. Moreover, if we raise additional capital by issuing equity securities or securities convertible into equity securities, your ownership may be diluted. Any debt financing we may incur may impose on us covenants that restrict our operations and will require interest payments that would create additional cash demands and financial risk for us. We may be unable to accurately forecast our operating results and growth rate ~~, and our growth rate may decline over time~~ . We may not be able to accurately forecast our operating results and growth rate. We use a variety of factors in our forecasting and planning processes, including historical results, recent history and assessments of economic and market conditions, among other things. The growth rates in net sales and profitability that we **forecast** ~~have experienced historically~~ may not be ~~sustainable as our customer base expands and we achieve~~ **achieved** ~~higher market penetration rates, and our percentage growth rates may decrease~~ . The growth of our sales and profitability depends on the ~~continued~~ growth of demand for the products we offer, and our business is affected by general economic and business conditions. A softening of demand, whether caused by changes in customer preferences or a weakening of the economy or other factors, may result in decreased net sales ~~or growth~~ . In addition, we experience seasonal trends in our business, and this variability may make it difficult to predict net sales and could result in significant fluctuations in our operating results from period to period. Furthermore, most of our expenses and investments are fixed, and we may not be able to adjust our spending in a timely manner to compensate for any unexpected shortfall in our net sales results. Failure to accurately forecast our operating results and growth rate could cause our actual results to be materially lower than anticipated, and if our growth rates decline as a result, investors' perceptions of our business may be adversely affected, and the market price of our Class B common stock could decline. Our failure to comply with restrictive covenants under our revolving credit facility and other debt instruments could trigger prepayment obligations. Our failure to comply with the restrictive covenants under our revolving credit facility and other debt instruments could result in an event of default, which, if not cured or waived, could result in us being required to repay these borrowings before their due date. If we are forced to refinance these borrowings on less favorable terms, our results of operations and financial condition could be adversely affected by increased costs and rates. Legal, Tax, Compliance, ~~Reputable~~ **Reputation** and Other RisksWe may be subject to increased labor costs due to external factors, including changes in laws and regulations, and we may be subject to unionization, work stoppages or slowdowns. Our ability to meet our labor needs while controlling costs is subject to external factors such as unemployment levels, prevailing wage rates, minimum wage legislation, actions by our competitors with respect to compensation levels and changing demographics. Currently none of our employees are represented by a union, but our employees have the right to **be** under the National Labor Relations Act. Changes that adversely impact our ability to meet our labor needs in a cost- effective manner could adversely affect our operating results. In addition, the employer mandate provisions of the Patient Protection and Affordable Health Care Act (the " PPACA "), changes in regulations under the PPACA, changes in federal and state minimum wage laws and other laws and regulations relating to employee benefits could cause us to incur additional wage and benefit costs, which could negatively impact our business, financial condition and results of operations. Unseasonal or severe weather conditions may adversely affect our merchandise sales. Our business is adversely affected by unseasonal weather conditions. Sales of certain seasonal apparel items, especially outerwear, are dependent in part on the weather and may decline in years in which weather conditions do not favor the use of these products. Sales of our spring and summer products, which traditionally consist of lighter weight clothing, are adversely affected by cool or wet weather. Similarly, sales of our fall and winter products, which are traditionally weighted toward outerwear, are adversely affected by mild, dry or warm weather. Severe weather events may impact our ability to supply our ~~17retail~~ -- **retail** stores, deliver orders to customers on schedule and staff our retail stores, fulfillment centers and call center, which could have an adverse effect on our business and results of operations. Our product designs are not protected by substantial intellectual property rights. Due to the rapid pace of change in the apparel, footwear and accessories industry, the length of time it takes to obtain patents and the expense and uncertainty of obtaining patent protection, we have not taken steps to obtain patent protection for **many of** our innovative product designs. Competitors have attempted to copy our product designs in the past, and we expect that if we are able to raise our national profile, our products may be subject to greater imitation by existing and new ~~competitors~~ **17competitors** . If we are not able to continue rapid innovation of new products and product features, our brand may be harmed and our results of operations may be materially adversely affected. If we are unable to protect or preserve our brand image and our proprietary rights, our business may be adversely affected. We regard our trademarks, copyrights, trade secrets and similar proprietary rights as critical to our success. As such, we rely on trademark and copyright law, trade secret protection and confidentiality agreements with our associates, consultants, suppliers and others to protect our proprietary rights. Nevertheless, the steps we take to protect our proprietary rights may be inadequate and we may experience difficulty in effectively limiting the unauthorized use of our trademarks and other intellectual property worldwide. Unauthorized use of our trademarks, copyrights, trade secrets or other intellectual property rights may cause significant damage to our brand and our ability to effectively represent ourselves to agents, suppliers, vendors, licensees and / or customers. While we intend to enforce our intellectual property rights, there can be no assurance that we are adequately protected in all countries or that we will prevail when defending our trademark and proprietary rights. If we are unable to protect or preserve the value of our trademarks, copyrights or other intellectual property rights for any reason, or if we fail to maintain our brand image due to merchandise and service quality issues, actual or perceived, adverse publicity, governmental investigations or litigation or other reasons, our brand and reputation could be damaged and our business may be adversely affected. We may be subject to liability if we infringe upon the intellectual property rights of third parties. Third parties may sue us for alleged infringement of their proprietary rights or use intellectual property rights to interfere with or attempt to interfere with the manufacture of products for us or the supply of products to us. The party claiming infringement might have greater resources than we do to pursue its claims, and we could be forced to incur substantial costs and devote significant management resources to defend against such litigation. If the party claiming infringement were to prevail, we could be forced to discontinue the use of the related trademark or design and / or pay significant damages or enter into expensive royalty or licensing arrangements with the prevailing party, assuming these royalty or licensing arrangements are available at all on an economically feasible basis, which they may not be. We could also be required to pay substantial damages. Such infringement claims could harm the Duluth Trading brand. In addition, any payments we are required to make and any injunction we are required to comply with as a result of such infringement could adversely affect our financial results. If our independent suppliers do not use ethical business practices or comply with applicable regulations and laws, our reputation could be materially harmed and our business and results of operations may be adversely affected. Our reputation and customers' willingness to purchase our products depend in part on our suppliers' compliance with ethical employment practices, such as with respect to child labor, wages and benefits, forced labor, discrimination, freedom of association, unlawful inducements, safe and healthy working conditions and with all legal and regulatory requirements relating to the conduct of their business. While we operate compliance and monitoring programs to promote ethical and lawful business practices, we do not exercise ultimate control over our independent suppliers or their business practices and cannot guarantee their compliance with ethical and lawful business practices. Violation of labor or other laws by our suppliers, or the divergence of a supplier' s labor practices from those generally accepted as ethical in the United States, could materially hurt our reputation, which could have an adverse effect on our business and results of operations. We may be subject to assessments for additional taxes, including sales taxes, which could adversely affect our business. In accordance with current law, we pay, collect and / or remit taxes in those states where we or our subsidiary, as applicable, maintain a physical presence. While we believe that we have appropriately remitted all taxes based on our interpretation of applicable law, tax laws are complex and their application differs from state to state. It is possible that some taxing jurisdictions may attempt to assess additional taxes and penalties on us or assert either an error in our calculation, a change in the application of law or an interpretation of the law that differs from our own, which may, if successful, adversely affect our business and results of operations. ~~18An~~ **An** increasing number of states have considered or adopted laws that attempt to impose tax collection obligations on out- of- state companies. Additionally, the Supreme Court of the United States ruled in South Dakota v. Wayfair, Inc. et al, or Wayfair, that online sellers can be required to collect sales and use tax despite not having a physical presence in the buyer' s state. In response to Wayfair, or otherwise, states or local governments have adopted, or begun to enforce, laws requiring us to calculate, collect and remit taxes on sales in their jurisdictions. A successful assertion by one or more states requiring us to collect taxes where we presently do not do so, or to collect more taxes in a jurisdiction in which we currently do collect some taxes, could result in substantial tax liabilities, including taxes on past sales, as well as penalties and interest. The imposition by state governments or local governments of sales tax collection obligations on out- of- state sellers could also create additional ~~administrative~~ **18administrative** burdens for us and decrease our future sales, which could have an impact on our business, financial condition and results of operations. We may become involved in a number of legal proceedings and audits, and outcomes of such legal proceedings and audits could adversely affect our business, financial condition and results of operations. Our business requires compliance with many laws and regulations, including labor and employment, customs, truth- in- advertising, consumer protection and zoning and occupancy laws and ordinances that regulate retailers generally and / or govern the importation, promotion and sale of merchandise and the operation of stores and warehouse facilities. Failure to achieve compliance could subject us to lawsuits and other proceedings, and could also lead to damage awards, fines and penalties. We may become involved in a number of legal proceedings and audits including government and agency investigations, and consumer, employment, tort and other litigation. We cannot predict with certainty the outcomes of these legal proceedings and other contingencies. The outcome of some of these legal proceedings, audits and other contingencies could require us to take, or refrain from taking, actions which could negatively affect our operations or require us to pay substantial amounts of money adversely affecting our financial condition and results of operations. Additionally, defending against these lawsuits and proceedings may be necessary, which could result in substantial costs and diversion of management' s attention and resources, causing a material adverse effect on our business, financial condition and results of operations. There can be no assurance that any pending or future legal proceedings and audits will not have a material adverse effect on our business, financial condition and results of operations. Changes to accounting rules or regulations could significantly affect our financial results. Our consolidated financial statements are prepared in accordance with U. S. GAAP. New accounting rules or regulations and changes to existing accounting rules or regulations have occurred and may occur in the future. Future changes to accounting rules or regulations could negatively affect our results of operations and financial condition through increased compliance costs. Risks Related to Ownership of our Class B Common StockThe dual class structure of our common stock and the existing ownership of common stock by our executive officers, directors and their affiliates have the effect of concentrating voting control with our executive officers, directors and their affiliates for the foreseeable future, which will limit your ability to influence corporate matters. Our Class A common stock has ten votes per share, and our Class B common stock has one vote per share. Given the greater number of votes per share attributed to our Class A common stock, our Chairman, Stephen L. Schlecht, who **through his voting trust** is our only Class A shareholder, beneficially owns shares representing more than 50 % of the voting power of our outstanding capital stock. As a result of our dual class ownership structure, Mr. Schlecht will be able to exert a significant degree of influence or actual control over our management and affairs and over matters requiring shareholder approval, including the election of directors, a merger, consolidation or sale of all or substantially all of our assets and any other significant transaction. Mr. Schlecht together with our other executive officers, directors and their affiliates, owns shares representing the majority of the voting power of our outstanding capital stock. This concentrated control will limit your ability to influence corporate matters for the foreseeable future. For example, these shareholders will be able to control elections of directors, amendments of our articles of incorporation or bylaws, increases to the number of shares available for issuance under our equity incentive plans or adoption of new equity incentive plans and approval of any merger or sale of assets for the foreseeable future. This control may materially adversely affect the market price of our Class B common stock. Additionally, the holder of our Class A common stock may cause us to make strategic decisions or pursue acquisitions that could involve risks to you or may not be aligned with your interests. The holder of our Class A common stock will also be entitled to a separate vote in the event we seek to amend our articles of incorporation in a manner that alters or changes the powers, preferences or special rights of the Class A common stock in a manner that affects its holder adversely. ~~19We~~ **We** are a controlled company within the meaning of the NASDAQ rules, and as a result, we rely on exemptions from certain corporate governance requirements that provide protection to shareholders of other companies. Mr. Schlecht controls more than 50 % of the total voting power of our common stock, and we are considered a controlled company under the NASDAQ corporate governance listing standards. As a controlled company, certain exemptions under the NASDAQ listing standards exempt us from the obligation to comply with certain NASDAQ corporate governance requirements, including the requirements: ? that a majority of our board of directors consist of independent directors, as defined under the rules of NASDAQ; **19** ? that we have a nominating committee that is composed entirely of independent directors with a written charter addressing the committee' s purpose and responsibilities; and ? that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee' s purpose and responsibilities. Although we have a majority of independent directors on our board, we are a controlled company. As such, there is no guarantee that we will not take advantage of this exemption in the future. Accordingly, as long as we are a controlled company, holders of our Class B common stock may not have the same protections afforded to shareholders of companies that are subject to all of the NASDAQ corporate governance requirements. Our stock price may be volatile or may decline regardless of our operating performance, resulting in substantial losses for investors. The market price of our Class B common stock may fluctuate significantly in response to numerous factors, many of which are beyond our control, including: ? actual or anticipated fluctuations in our results of operations, particularly in our growth rates and margins; ? the financial projections we may provide to the public, any changes in these projections or our failure to meet these projections; ? failure of securities analysts to initiate or maintain coverage of our company, changes in financial estimates or ratings by any securities analysts who follow our company or our failure to meet these estimates or the expectations of investors; ? announcements by us or our competitors of significant technical innovations, acquisitions, strategic partnerships, joint ventures, operating results or capital commitments; ? changes in operating performance and stock market valuations of other ~~technology or~~ retail companies generally, or those in our industry in particular; ? price and volume fluctuations in the overall stock market, including as a result of trends in the economy as a whole; ? changes in our board of directors or management; ? sales of large blocks of our Class B common stock, including sales by our executive officers, directors and significant shareholders; ? lawsuits threatened or filed against us; ? changes in laws or regulations applicable to our business; ? changes in our capital structure, such as future issuances of debt or equity securities; ? short sales, hedging and other derivative transactions involving our capital stock; ? general economic conditions in the United States and abroad; and ? other events or factors, including those resulting from pandemics, war, incidents of terrorism or responses to these events. In addition, stock markets have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many retail and e- commerce companies. Stock prices of many retail companies and e- commerce companies have fluctuated in a manner unrelated or disproportionate to the operating performance of those companies. In the past, shareholders have instituted securities class action litigation following periods of market volatility. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business and materially adversely affect our business, financial condition and operating results. ~~20If~~ **A material weakness in our system of internal control over financial reporting was identified. Our management is responsible for establishing and maintaining adequate internal control over financial reporting and for evaluating and reporting on the effectiveness of our system of internal control. As a public company, we are required by Section 404 of the Sarbanes- Oxley Act to evaluate the effectiveness of our internal control over financial reporting, beginning with this Annual Report on Form 10- K for the year ended January 28, 2024. We must also include a report issued by our independent registered public accounting firm based on their audit of our internal controls over financial reporting. In connection with our assessment of internal control over financial reporting for the fiscal year, we determined that we did not maintain effective internal control over financial reporting because the Company did not perform effective risk 20assessment related to the mapping of general ledger accounts to the consolidated financial statements resulting in manual controls in the financial reporting process that were not designed to sufficiently mitigate the risk of incorrect presentation of certain general ledger accounts in the consolidated financial statements. While the control deficiency did not result in a material misstatement to the consolidated financial statements, there is a reasonable possibility that a material misstatement of our consolidated financial statements may not have been prevented or detected on a timely basis. We have initiated the appropriate steps to remediate the control deficiency contributing to the material weakness to ensure these controls are designed, implemented and operating effectively. The occurrence of, or failure to remediate, a material weakness and any future material weaknesses in our internal control over financial reporting or determination that our disclosure controls and procedures are ineffective may have other consequences that could materially and adversely affect our business, including an adverse impact on the market price of our common stock, potential actions or investigations by regulatory authorities, adverse legal action by stakeholders, or a loss of investor confidence and damage to our reputation. If** securities or industry analysts do not publish research or reports about our business, or publish negative reports about our business, our share price and trading volume could decline. The trading market for our Class B common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business, our market and our competitors. We do not have any control over these analysts. If one or more of the analysts who cover us downgrade our shares or change their opinion of our shares, our share price would likely decline. If one or more of these analysts cease coverage of our company or fail to regularly publish reports on us, we could lose visibility in the financial markets, which could cause our share price or trading volume to decline. The requirements of being a public company may strain our resources, divert management' s attention and affect our ability to attract and retain additional executive management and qualified board members. As a public company, we are subject to the reporting requirements of the Exchange Act, the Sarbanes- Oxley Act, the Dodd- Frank Wall Street Reform and Consumer Protection Act, the listing requirements of the NASDAQ Global Select Market and other applicable securities rules and regulations. Compliance with these rules and regulations increase our legal and financial compliance costs, make some activities more difficult, time- consuming or costly and increase demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly and current reports with respect to our business and results of operations. The Sarbanes- Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and, if required, improve our disclosure controls and procedures and internal control over financial reporting, significant resources and management oversight may be required. As a result, management' s attention may be diverted from other business concerns, which could materially adversely affect our business and results of operations. In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time- consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of management' s time and attention from revenue- generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us, and our business may be materially adversely affected. As a result of disclosure of information in this annual report and in filings required of a public company, our business and financial condition will become more visible, which we believe may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business and results of operations could be materially adversely affected, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and materially adversely affect our business, financial condition and operating results. ~~Anti~~ **21Anti** - takeover provisions in our charter documents and under Wisconsin law could make an acquisition of our company more difficult, limit attempts by our shareholders to replace or remove our current management and limit the market price of our Class B common stock. Provisions in our amended and restated articles of incorporation and amended and restated bylaws may have the effect of delaying or preventing a change of control or changes in our management. In addition to the dual class structure of our common stock, our amended and restated articles of incorporation and amended and restated bylaws include provisions that: ? permit the board of directors to establish the number of directors and fill any vacancies and newly created directorships; ? authorize the issuance of " blank check " preferred stock that our board of directors could use to implement a shareholder rights plan; ? provide that the board of directors is expressly authorized to make, alter or repeal our bylaws; and ? establish advance notice requirements for nominations for election to our board of directors or for proposing matters that can be acted upon by shareholders at annual or special shareholder meetings. These provisions may frustrate or prevent any attempts by our shareholders to replace or remove our current management by making it more difficult for shareholders to replace members of our board of directors, which is responsible for appointing ~~21the~~ -- **the** members of our management. In addition, because we are incorporated in Wisconsin, the Wisconsin control share acquisition statute and Wisconsin' s " business combination " provisions would apply and limit the ability of an acquiring person to engage in certain transactions or to exercise full voting power of acquired shares under certain circumstances. As a result, offers to acquire us, which may represent a premium over the available market price of our Class B common stock, may be withdrawn or otherwise fail to be realized. ITEM 1B. UNRESOLVED STAFF COMMENTSNone.