

ROCKWELL MEDICAL, INC.  
Form PREC14A  
April 05, 2017

**UNITED STATES**

**SECURITIES AND EXCHANGE COMMISSION**

**Washington, D.C. 20549**

**SCHEDULE 14A**

(Rule 14a-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION

Proxy Statement Pursuant to Section 14(a) of The Securities Exchange Act of 1934

(Amendment No. )

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

Preliminary Proxy Statement

Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))

Definitive Proxy Statement

Definitive Additional Materials

Soliciting Material Under Rule  
14a-12

ROCKWELL MEDICAL, INC.  
(Name of Registrant as Specified in Its Charter)

Richmond Brothers, Inc.

RBI Private Investment I, LLC

RBI Private Investment II, LLC

RBI PI Manager, LLC

Richmond Brothers 401(k) Profit Sharing Plan

David S. Richmond

Matthew J. Curfman

Norman J. Ravich Irrevocable Trust

Norman and Sally Ravich Family Trust

Alexander Coleman Ravich 1991 Irrevocable Trust

Alyssa Danielle Ravich 1991 Irrevocable Trust

Mark H. Ravich  
(Name of Persons(s) Filing Proxy Statement, if Other Than the Registrant)

Payment of Filing Fee (Check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.

(1) Title of each class of securities to which transaction applies:

(2) Aggregate number of securities to which transaction applies:

(3) Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11 (set forth the amount on which the filing fee is calculated and state how it was determined):

(4) Proposed maximum aggregate value of transaction:

(5) Total fee paid:

Fee paid previously with preliminary materials:

Check box if any part of the fee is offset as provided by Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the form or schedule and the date of its filing.

(1) Amount previously paid:

(2) Form, Schedule or Registration Statement No.:

(3) Filing Party:

(4) Date Filed:

PRELIMINARY COPY SUBJECT TO COMPLETION  
DATED APRIL 5, 2017

RICHMOND BROTHERS, INC. AND MARK H. RAVICH

\_\_\_\_\_, 2017

Dear Fellow Rockwell Shareholder:

Richmond Brothers, Inc., Mark H. Ravich and the other participants in this solicitation (collectively, “Richmond Brothers” or “we”) are the beneficial owners of an aggregate of 6,152,696 shares of common stock, no par value per share (the “Common Stock”), of Rockwell Medical, Inc., a Michigan corporation (“Rockwell” or the “Company”), representing approximately 11.9% of the outstanding shares of Common Stock. For the reasons set forth in the attached Proxy Statement, we believe meaningful changes to the composition of the Board of Directors of the Company (the “Board”) are necessary in order to ensure that the Company is being run in a manner consistent with your best interests. We are seeking your support for the election of our nominee at the annual meeting of shareholders scheduled to be held at [\_\_\_\_\_], on [\_\_\_\_\_], 2017 at [\_:\_\_\_.m., local time] (including any adjournments or postponements thereof and any meeting which may be called in lieu thereof, the “Annual Meeting”). We are seeking representation on the Board because we believe that the Board will benefit from the addition of a direct shareholder representative committed to good corporate governance practices and an objective of enhancing value for the benefit of all Rockwell shareholders. The individual that we have nominated is highly-qualified, capable and ready to serve the shareholders of Rockwell.

Our interests are fully aligned with the interests of all Rockwell shareholders. We believe that there is significant value to be realized at Rockwell. However, we are concerned that the Board is not taking the appropriate actions to address the Company’s continuing underperformance. Given the Company’s financial and stock price underperformance under the oversight of the current Board, we strongly believe that the Board must be reconstituted to ensure that the interests of the shareholders, the true owners of Rockwell, are appropriately represented in the boardroom, and that the Board takes the necessary steps to help the Company’s shareholders realize maximum value for their investment. The Company has a classified Board, which is currently divided into three (3) classes. The term of one (1) Class II director expires at the Annual Meeting. We are seeking your support at the Annual Meeting to elect our nominee in opposition to the Company’s director nominee for the class with terms ending in 2020. [If it remains the case that the term of only one (1) director will expire at the Annual Meeting, we will withdraw one (1) of our two (2) nominees.] Your vote to elect our nominee will have the legal effect of replacing one (1) incumbent director with our nominee. If elected, our nominee will constitute a minority on the Board and there can be no guarantee that our nominee will be able to implement the actions that he believes are necessary to unlock shareholder value.

We urge you to carefully consider the information contained in the attached Proxy Statement and then support our efforts by signing, dating and returning the enclosed **BLUE** proxy card today. The attached Proxy Statement and the enclosed **BLUE** proxy card are first being furnished to the shareholders on or about \_\_\_\_\_, 2017.

If you have already voted for the incumbent management slate, you have every right to change your vote by signing, dating and returning a later dated **BLUE** proxy card or by voting in person at the Annual Meeting.

Please be advised that, as explained in the attached Proxy Statement, Rockwell has filed a lawsuit against Richmond Brothers alleging certain violations of the Securities Exchange Act of 1934, as amended, and the rules promulgated thereunder. Although we believe these allegations are meritless, part of Rockwell's requested relief is that we could be enjoined from voting shares of Common Stock or soliciting proxies at the Annual Meeting depending on the court's ruling. Please be advised that, depending on the outcome of the litigation, there is a risk that shares represented by a **BLUE** proxy card may not be voted or counted at the Annual Meeting.

If you have any questions or require any assistance with your vote, please contact Saratoga Proxy Consulting LLC, which is assisting us, at its address and toll-free numbers listed below.

Thank you for your support,

/s/ David S. Richmond and Mark. H. Ravich

Richmond Brothers, Inc. and Mark H. Ravich

*If you have any questions, require assistance in voting your **BLUE** proxy card,  
or need additional copies of Richmond Brothers' proxy materials,  
please contact Saratoga at the phone numbers listed below.*

*Shareholders call toll free at (888) 368-0379*

*Email: [info@saratogaproxy.com](mailto:info@saratogaproxy.com)*

PRELIMINARY COPY SUBJECT TO COMPLETION  
DATED APRIL 5, 2017

2017 ANNUAL MEETING OF SHAREHOLDERS  
OF  
ROCKWELL MEDICAL, INC.

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PROXY STATEMENT  
OF  
RICHMOND BROTHERS, INC. AND MARK H. RAVICH

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PLEASE SIGN, DATE AND MAIL THE ENCLOSED BLUE PROXY CARD TODAY

Richmond Brothers, Inc. (“RB Inc.”), RBI Private Investment I, LLC (“RBI PI”), RBI Private Investment II, LLC (“RBI PII”), RBI PI Manager, LLC (“RBI Manager”), Richmond Brothers 401(k) Profit Sharing Plan (“RBI Plan”), David S. Richmond, Matthew J. Curfman, Norman J. Ravich Irrevocable Trust (“NJR Trust”), Norman and Sally Ravich Family Trust (“NSR Trust”), Alexander Coleman Ravich 1991 Irrevocable Trust (“ACR Trust”), Alyssa Danielle Ravich 1991 Irrevocable Trust (“ADR Trust”) and Mark H. Ravich (collectively, “Richmond Brothers” or “we”) are significant shareholders of Rockwell Medical, Inc., a Michigan corporation (“Rockwell” or the “Company”), who collectively beneficially own an aggregate of 6,152,696 shares of common stock, no par value per share (the “Common Stock”), of the Company, representing approximately 11.9% of the outstanding shares of Common Stock. We believe that the Board of Directors of the Company (the “Board”) must be meaningfully reconstituted to ensure that the Board takes the necessary steps for the Company’s shareholders to realize the maximum value of their investments. We have nominated a director candidate who is fully committed to representing the best interests of shareholders and exploring all opportunities to unlock shareholder value. We are seeking your support at the annual meeting of shareholders scheduled to be held at [\_\_\_\_\_], on [\_\_\_\_\_], 2017 at [\_:\_\_\_.m., local time] (including any adjournments or postponements thereof and any meeting which may be called in lieu thereof, the “Annual Meeting”), for the following:

- To elect Richmond Brothers’ director nominee, [Mark H. Ravich / David S. Richmond] (the “Nominee”), to the Board
1. as a Class II director to serve until the 2020 annual meeting of shareholders and until his successor is duly elected and qualified;
  2. To hold a non-binding advisory vote on the compensation of the Company’s named executive officers;
  3. To hold a non-binding advisory vote on the frequency of shareholder advisory votes on the compensation of the named executive officers;
  4. To hold a vote on the approval of the Company’s 2017 Long Term Incentive Plan (the “2017 LTIP”);
  5. To ratify the selection of Plante & Moran, PLLC as the Company’s independent registered public accounting firm for 2017; and
  6. To transact such other business as may properly come before the Annual Meeting.



As of the date hereof, the participants in this solicitation collectively own 6,152,696 shares of Common Stock (the “Richmond Brothers Group Shares”). We intend to vote such shares **FOR** the election of the Nominee, **AGAINST** the approval of the advisory vote on the compensation of the Company’s named executive officers, **ONE YEAR** with respect to the advisory vote on the frequency of shareholder advisory votes on the compensation of the named executive officers, **AGAINST** the approval of the 2017 LTIP, and **FOR** the ratification of the selection of Plante & Moran, PLLC as the independent registered public accounting firm of the Company for the 2017 fiscal year, as described herein.

The Company has set the close of business on [\_\_\_\_\_, \_\_\_\_], 2017 as the record date for determining shareholders entitled to notice of and to vote at the Annual Meeting (the “Record Date”). The mailing address of the principal executive offices of the Company is 30142 Wixom Road, Wixom, Michigan 48393. Shareholders of record at the close of business on the Record Date will be entitled to vote at the Annual Meeting. According to the Company, as of the Record Date, there were 52,057,711 shares of Common Stock outstanding.

THIS SOLICITATION IS BEING MADE BY RICHMOND BROTHERS AND NOT ON BEHALF OF THE BOARD OR MANAGEMENT OF THE COMPANY. WE ARE NOT AWARE OF ANY OTHER MATTERS TO BE BROUGHT BEFORE THE ANNUAL MEETING OTHER THAN AS SET FORTH IN THIS PROXY STATEMENT. SHOULD OTHER MATTERS, WHICH RICHMOND BROTHERS IS NOT AWARE OF A REASONABLE TIME BEFORE THIS SOLICITATION, BE BROUGHT BEFORE THE ANNUAL MEETING, THE PERSONS NAMED AS PROXIES IN THE ENCLOSED **BLUE** PROXY CARD WILL VOTE ON SUCH MATTERS IN THEIR DISCRETION.

RICHMOND BROTHERS URGES YOU TO SIGN, DATE AND RETURN THE **BLUE** PROXY CARD IN FAVOR OF THE ELECTION OF THE NOMINEE.

IF YOU HAVE ALREADY SENT A PROXY CARD FURNISHED BY COMPANY MANAGEMENT OR THE BOARD, YOU MAY REVOKE THAT PROXY AND VOTE ON EACH OF THE PROPOSALS DESCRIBED IN THIS PROXY STATEMENT BY SIGNING, DATING AND RETURNING THE ENCLOSED **BLUE** PROXY CARD. THE LATEST DATED PROXY IS THE ONLY ONE THAT COUNTS. ANY PROXY MAY BE REVOKED AT ANY TIME PRIOR TO THE ANNUAL MEETING BY DELIVERING A WRITTEN NOTICE OF REVOCATION OR A LATER DATED PROXY FOR THE ANNUAL MEETING OR BY VOTING IN PERSON AT THE ANNUAL MEETING.

Important Notice Regarding the Availability of Proxy Materials for the Annual Meeting—This Proxy Statement and our **BLUE** proxy card are available at [[http://www.\\_\\_\\_\\_\\_](http://www._____)]

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IMPORTANT

**Your vote is important, no matter how few shares of Common Stock you own. Richmond Brothers urges you to sign, date, and return the enclosed BLUE proxy card today to vote FOR the election of the Nominee and in accordance with Richmond Brothers' recommendations on the other proposals on the agenda for the Annual Meeting.**

If your shares of Common Stock are registered in your own name, please sign and date the enclosed **BLUE** proxy card and return it to Richmond Brothers, c/o Saratoga Proxy Consulting LLC ("Saratoga"), in the enclosed postage-paid envelope today.

If your shares of Common Stock are held in a brokerage account or bank, you are considered the beneficial owner of the shares of Common Stock, and these proxy materials, together with a **BLUE** voting form, are being forwarded to you by your broker or bank. As a beneficial owner, you must instruct your broker, trustee or other representative how to vote. Your broker cannot vote your shares of Common Stock on your behalf without your instructions.

Depending upon your broker or custodian, you may be able to vote either by toll-free telephone or by the Internet. Please refer to the enclosed voting form for instructions on how to vote electronically. You may also vote by signing, dating and returning the enclosed voting form.

Since only your latest dated proxy card will count, we urge you not to return any proxy card you receive from the Company. Even if you return the management proxy card marked "withhold" as a protest against the incumbent directors, it will revoke any proxy card you may have previously sent to us. Remember, you can vote for our Nominee only on our **BLUE** proxy card. So please make certain that the latest dated proxy card you return is the **BLUE** proxy card.

*If you have any questions, require assistance in voting your **BLUE** proxy card,*

*or need additional copies of Richmond Brothers' proxy materials,*

*please contact Saratoga at the phone numbers listed below.*

*Shareholders call toll free at (888) 368-0379*

*Email: [info@saratogaproxy.com](mailto:info@saratogaproxy.com)*

## Background to the Solicitation

The following is a chronology of events leading up to this proxy solicitation:

The members of Richmond Brothers are long-term shareholders of Rockwell, some of whom initially invested in the Company approximately 15 years ago.

Beginning in early 2016, Mark H. Ravich had discussions with David S. Richmond, Chris Paxos, Jay F. Joliat, David Hagelstein and a now-deceased shareholder, among others, regarding the performance of the Company and its issues. Mr. Ravich asked the other shareholders to join with him in corresponding with the Company, and thereafter sent several letters and emails expressing their common concerns to the Company's Chairman and CEO, Robert L. Chioini. Such parties were like-minded shareholders who shared certain concerns and had suggestions for Mr. Chioini to consider in his capacity as the Company's CEO. Collective communications began on February 4, 2016 and ceased March 4, 2016.

On March 14 and 16, 2016, Mr. Richmond sent Mr. Chioini email correspondence regarding Mr. Chioini's invitation to meet individually with Mr. Richmond at the Company's headquarters.

In late March 2016, Mr. Richmond met with Mr. Chioini at the Company's headquarters.

In April 2016, Mr. Richmond individually sent several communications to Mr. Chioini regarding his ongoing concerns and suggestions for the Company, including that the Company consider adding an independent director to the Board.

In June 2016, the Company held its 2016 annual meeting of shareholders (the "2016 Annual Meeting") without any of the members of Richmond Brothers attempting to influence the voting or withholding of proxies.

On June 23, 2016, the Company filed a Form 8-K disclosing that, effective June 22, 2016, the size of the Board was increased to five members and Dr. Robin L. Smith was appointed as a director of the Company. The Company did not disclose which class of directors Dr. Smith was appointed to.

On September 19, 2016, Mr. Richmond emailed Mr. Chioini seeking to arrange a meeting. Mr. Richmond followed up on September 22, 2016 reiterating his request for a meeting.

On October 3, 2016, Mr. Richmond received a response from Mr. Chioini indicating that a meeting was not appropriate at this time. Mr. Richmond responded on the same day expressing his disappointment that the Company would ignore its largest shareholder and reiterated that he would like to meet with management to understand the Company's vision for the future.

On February 20, 2017, certain members of Richmond Brothers entered into a Group Agreement (the "Group Agreement") pursuant to which such parties agreed, among other things, to (i) engage in discussions with the Company regarding means to enhance shareholder value and the corporate governance of the Company, (ii) take all other action necessary to achieve the foregoing and (iii) take any other actions the group determines to undertake in connection with their respective investments in the Company.

On February 21, 2017, Richmond Brothers filed a Schedule 13D with the Securities and Exchange Commission (the “SEC”) disclosing beneficial ownership in approximately 11.9% of the Company’s outstanding shares of Common Stock. In the Schedule 13D, Richmond Brothers disclosed its intention to engage in discussions with the Company’s management team, the Board, shareholders of the Company and other interested parties regarding the Company’s capital allocation, corporate governance (including Board composition), operations, strategic plans and other means to enhance shareholder value.

On March 1, 2017, Mr. Ravich, on behalf of himself and the other members of Richmond Brothers, delivered a letter (the “Nomination Letter”) to the Company, in accordance with its Bylaws, nominating Mark H. Ravich and David S. Richmond for election to the Board at the Annual Meeting. In the Nomination Letter, Mr. Ravich stated his belief that the terms of at least one, and as many as two, Class II directors currently serving on the Board expire at the Annual Meeting following the Company’s appointment of Dr. Smith to the Board in June 2016. To the extent that only one seat is up for election at the Annual Meeting, Mr. Ravich stated that he will withdraw one of his nominees. On March 2, 2017, Richmond Brothers issued a press release announcing the delivery of the Nomination Letter. In the press release, Richmond Brothers expressed its belief that the Company’s continuous strategic and execution failures and weak corporate governance have led to years of underperformance. Richmond Brothers noted that the Company has failed to monetize its promising drugs Triferic and Calcitriol and expressed its concerns that the incumbent Board and management team continue to ignore the best interests of shareholders. Richmond Brothers explained that after its efforts to engage in constructive dialogue with the Board and management team were repeatedly rebuffed, Richmond Brothers felt it was left with no choice other than to nominate candidates for election to the Board. Also on March 2, 2017, Richmond Brothers filed an amendment to its Schedule 13D disclosing the delivery of the Nomination Letter and the issuance of the press release.

Also on March 2, 2017, the Company issued a press release announcing that David T. Domzalski has been nominated to the Board and will replace director Kenneth L. Holt, who the Company announced will not be standing for re-election at the Annual Meeting.

Also on March 2, 2017, a representative of Rockwell contacted Richmond Brothers’ legal counsel and advised that the Company is prepared to file a lawsuit against Richmond Brothers and others alleging violations of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and the rules promulgated thereunder, if Richmond Brothers proceeded with its nomination.

On March 3, 2017, a representative of Rockwell had a discussion with Richmond Brothers’ legal counsel advising that Rockwell is likely to file a lawsuit against Richmond Brothers the following week and thus encouraged Richmond Brothers to abandon its nomination.

Also on March 3, 2017, Richmond Brothers sent a private letter to Mr. Chioini noting its belief that Mr. Domzalski's nomination was clearly a defensive and reactionary approach to Richmond Brothers' public involvement at Rockwell. Richmond Brothers reiterated its belief that the Company should be more responsive to shareholder concerns regarding specific governance issues such as executive compensation, the composition of the Board and transparent communications with investors. Richmond Brothers requested an opportunity to discuss its concerns with Mr. Chioini and made clear that it desires to engage constructively with the Board.

On March 7, 2017, Mr. Richmond and Mr. Chioini engaged in a telephone conversation. During the conversation, Mr. Chioini informed Mr. Richmond that Rockwell would not initiate litigation against Richmond Brothers if the Nomination Letter is withdrawn and Richmond Brothers agrees not to nominate or otherwise seek to influence management or the Board for at least the next 12 to 24 months.

On March 8, 2017, Richmond Brothers responded to Mr. Chioini's offer by explaining its belief that if the Company initiates litigation against Richmond Brothers, it will reaffirm its belief that Mr. Chioini and the other members of the Board will do whatever it takes to insulate and entrench themselves against the will of the Company's shareholders - the true owners of the Company. Richmond Brothers called on the Company to run a fair election with no litigation by either side and let the cards fall where they may; however, Richmond Brothers made clear that it will vigorously defend itself if necessary.

Also on March 8, 2017, the Company filed suit in the Eastern District of Michigan against, amongst others, Messrs. Ravich and Richmond, alleging violations of Exchange Act Sections 13(d) and (g), 15 U.S.C. §78m, and the rules promulgated thereunder (the "Michigan Action"). The Complaint in the Michigan Action names as defendants the following individuals and entities (collectively, the "Defendants"):

David S. Richmond, Matthew J. Curfman, Richmond Brothers, Inc., RBI Private Investment I, LLC, RBI PI  
o Manager, LLC and Richmond Brothers 401(k) Profit Sharing Plan (collectively, the "Richmond Defendants");  
Mark H. Ravich, Norman J. Ravich Irrevocable Trust, Norman and Sally Ravich Family Trust, Alexander Coleman  
o Ravich 1991 Irrevocable Trust and Alyssa Danielle Ravich 1991 Irrevocable Trust (collectively, the "Ravich  
Defendants");

o Chris Paxos;  
o Jay F. Joliat; and  
o David Hagelstein.

Specifically, the Complaint states two causes of action (Counts I and III) against all of the Defendants:

o Count I alleges that the Defendants violated Section 13(d) of the Exchange Act by failing to timely disclose in early 2016 that they had collectively acquired in excess of 5% of the Company's shares and entered into an agreement to act in concert with respect to their collective holdings; and

o Count III alleges that the Defendants violated Section 13(d) of the Exchange Act when the Richmond Defendants and Ravich Defendants filed a Schedule 13D in February 2017, because the Schedule 13D does not disclose an alleged group between and among all Defendants.

In the alternative to Count I, the Complaint contains a separate cause of action (Count II) alleging that the Richmond Defendants and the Ravich Defendants violated Section 13(d) of the Exchange Act by failing to timely disclose that they had collectively acquired in excess of 5% of the Company's shares and entered into an agreement to act in concert with respect to their collective holdings as of 2016, i.e. at some point earlier than their filing in February 2017.

Finally, in Count IV of the Complaint, the Company alleges that David S. Richmond and Richmond Brothers, Inc. violated Sections 13(d) and (g) of the Exchange Act by filing a false, misleading and incomplete Schedule 13G on May 6, 2016 and October 7, 2016, and by failing to file a Schedule 13D (prior their the February 2017 filing).

On March 9, 2017, Richmond Brothers issued a press release responding to the Michigan Action. Richmond Brothers explained its belief that the allegations are baseless and untrue, and that Richmond Brothers believes that the lawsuit epitomizes the current Board and management team's efforts to entrench themselves.

On March 15, 2017, Rockwell reported fourth quarter 2016 and full-year 2016 results.

On March 16, 2017, Richmond Brothers issued a press release commenting on the Company's earnings announcement. Richmond Brothers explained that it remains discouraged by Rockwell's failure to execute and the continued delay in bringing Triferic to market. Richmond Brothers was further dismayed that shareholders were denied an opportunity to ask questions during the earnings call, reinforcing, in Richmond Brothers' opinion, the need for increased transparency with investors. Richmond Brothers further stated its belief that the Company's more transparent update regarding its drug pipeline is a reactive response to Richmond Brothers' public pressure.

On March 17, 2017, Richmond Brothers filed an amendment to its Schedule 13D disclosing the Michigan Action, including attaching a copying of the Complaint. Richmond Brothers further explained that the Company's allegations are largely based on various communications from the Defendants directed to Mr. Chioini, beginning in February 2016. Richmond Brothers also attached such communications, which were intended to encourage the Company to voluntarily take action to improve its communications with shareholders and better its corporate governance practices, to the amendment to its Schedule 13D. Richmond Brothers further disclosed its belief that the Company should be considering all means to enhance shareholder value, and in furtherance of such, Richmond Brothers intends to communicate with private equity firms and other interested parties regarding means to enhance shareholder value.

On March 21, 2017, Richmond Brothers filed a memorandum in opposition to Rockwell's motion for leave to conduct limited expedited discovery in the Michigan Action.

On March 22, 2017, Richmond Brothers issued a press release further commenting on the Michigan Action. Richmond Brothers reiterated its belief that it did not violate any securities laws and strongly disputed the allegations the Company makes in its lawsuit. Richmond Brothers explained its belief that the lawsuit is nothing more than an attempt by Rockwell to create a sideshow and distract attention away from the real issues at hand, including the disappointing performance, management inexperience, lack of successful execution and subpar corporate governance that have persisted under Mr. Chioini's leadership.

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On March 23, 2017, Richmond Brothers filed an amendment to its Schedule 13D disclosing that, on March 21, 2017, RBI PII entered into a Joinder Agreement (the “Joinder Agreement”) to the Group Agreement, pursuant to which it agreed to be bound by the terms and conditions set forth therein.

On March 24, 2017, Magistrate Judge Mona K. Majzoub issued a ruling in the United States District Court in the Eastern District of Michigan denying the Company’s motion for leave to conduct limited expedited discovery. The Company has filed an objection to the ruling.

On April 3, 2017, the Company filed its preliminary proxy statement, in which it announced certain changes to its corporate governance practices in apparent response to Richmond Brothers’ public involvement.

## REASONS FOR THE SOLICITATION

### WE BELIEVE THAT SIGNIFICANT IMPROVEMENT TO ROCKWELL’S BOARD IS NEEDED NOW

As long-time shareholders of the Company, the members of Richmond Brothers have conducted extensive due diligence on the Company. In doing so, we have carefully analyzed the Company’s operating and financial performance, its corporate governance, and the competitive landscape in the biopharmaceutical industry in which it operates. We have also attempted to engage in a meaningful dialogue with the Board and management team – including multiple attempts over several years – to discuss our concerns and the opportunities that we believe are available to create value for the benefit of all shareholders.

We believe that our knowledge of the Company’s business has given us a solid foundation for analyzing the Company’s strategic initiatives and the incumbent Board and management team’s ability to execute on these strategies, the degree to which the Company exhibits – or does not exhibit – good corporate governance, and the value-enhancing opportunities available to the Company. Unfortunately, the Company’s Board has, in our view, overseen a lengthy period of poor stock price performance, poor execution, a failure to drive shareholder value creation and terrible corporate governance.

After our efforts to engage in constructive dialogue with the Board and management team were repeatedly rebuffed, we felt we were left with no choice other than to nominate an independent candidate for election to the Board, who we believe will be a strong voice in support of improved corporate governance, communication with shareholders and drive for increased shareholder value.

### *We Are Concerned with the Company’s Stock Price Underperformance*

We believe shareholders should be seriously concerned with the Company’s poor stock price performance. As shown in the chart below, the Company has delivered negative returns – and has significantly underperformed the NASDAQ Biotechnology Index (INDEXNASDAQ: NBI) (the “NBI Index”) – over the past one, three, five and ten-year periods.

### **Total Shareholder Return**

	<b><u>1-Year</u></b>	<b><u>3-Year</u></b>	<b><u>5-Year</u></b>	<b><u>10-Year</u></b>
RMTI	-24.2%	-52.5%	-38.6%	-21.8%
NBI Index	12.5%	12.4%	151.2%	293.2%
<b>RMTI Underperformance</b>	<b>-36.7%</b>	<b>-64.9%</b>	<b>-189.8%</b>	<b>-315%</b>

Source: Bloomberg



We believe that the Company's poor stock price performance stems from numerous problems that have dogged the Company under the Board's oversight and under the leadership of Chairman and CEO Robert Chioini, including a failure to execute against key strategic initiatives, a failure to monetize the Company's promising drug pipeline, a reluctance to communicate openly with shareholders and abysmal corporate governance – including excessive executive compensation practices. These shortcomings, we believe, have contributed to the Company's total shareholder return lagging the NBI Index by approximately 315% over the past 10 years.

<sup>1</sup> Reflects total returns for the trailing 1-, 3-, 5-, and 10-year periods through February 20, 2017 (the day prior to Richmond Brothers' public involvement with respect to the Company).

It is evident to us that the significant destruction of shareholder value that has persisted over the near and long term under the leadership of the incumbent Board warrants change in the boardroom.

***We Are Concerned with the Company's Poor Corporate Governance Practices and Limitations of Shareholder Rights***

We believe that the Company's poor corporate governance has severely limited the ability of shareholders to seek effective and meaningful change at the Company. The Board is classified into three separate classes, meaning its directors are only subject to re-election by shareholders once every three years. We believe that the ability of shareholders to select directors each year is an important check on the performance of the Board and is essential to allow shareholder input on the trajectory of the Company and ensuring the best individuals are on the Board to oversee their investment. It is our view that the Board's current classified structure hinders shareholders' ability to regularly and effectively evaluate directors' performances and both insulates and entrenches the incumbent directors.

Other corporate governance provisions that are problematic, in our view, include the fact that the Company requires action by written consent to be unanimous unless the proposed action is pre-approved by the Board, and the fact that the Company permits shareholders to call special meetings only upon the request of a majority of the outstanding shares. These provisions severely hamper the ability of shareholders to seek effective change between annual meetings. We believe it is contrary to good corporate governance practices for the Board to utilize Rockwell's corporate machinery to insulate itself from the Company's shareholders. Others have taken notice as well – for at least the past two years, leading proxy advisory firm Institutional Shareholder Services Inc. (“ISS”) has assigned Rockwell its worst rating for corporate governance.<sup>2</sup>

We believe that the long tenure of many of the Company's directors demonstrates the degree to which the current Board is entrenched. Of the Company's five current directors, three have been on the Board for 17 years and a fourth has been a member for more than 11 years.<sup>3</sup> It is evident to us that the current Board has not been interested in proactively and continually adding new talent to the Board (or addressing other corporate governance shortcomings) absent shareholder intervention. Indeed, we believe that recent announcements such as naming a Lead Independent Director, nominating a new Board member, forming a Governance and Nominating Committee and implementing a majority voting policy are purely reactive actions by the Company based on wanting to win a proxy contest, rather than an altruistic desire to make much-needed improvements at the Company. Given that Rockwell failed to take any meaningful action to improve its corporate governance practices after ISS recommended a WITHHOLD vote with respect to Rockwell's directors standing for reelection at its past two annual meetings, we are led to believe that when left to its own devices, the Company is not interested in making proactive change absent a looming proxy contest. Simply put, we do not believe that the Company would have implemented its recent corporate governance enhancements without our involvement.

<sup>2</sup> As of April 4, 2017, the Company maintained an ISS QualityScore of 10, the worst possible score on a scale of 1 to 10, indicating the highest governance risks, and had similarly been assigned a score of 10 by ISS in its benchmark reports for the Company's past two annual meetings.

<sup>3</sup> Richmond Brothers acknowledges that following the Annual Meeting, two directors will have served on the Board for 17 years and a third will have been a member for more than 11 years as a result of Mr. Holt not standing for reelection at the Annual Meeting.

We are also concerned with Mr. Chioini's dual position as Chairman and CEO of the Company, which we believe is a factor in the Board's ineffective oversight of the Company. Separating the roles of Chairman and CEO is broadly considered a corporate governance best practice as it promotes oversight of risk, curbs conflicts of interests and more effectively manages the relationship between the Board and management. Conversely, combining the Chairman and CEO roles is largely considered by governance experts and commentators to be a governance flaw because of the undue concentration of control and the inherent conflicts.

*We Are Concerned with the Company's Executive Compensation Practices*

We believe that the Company has exhibited egregious executive compensation practices, which – in our view – reward potential (and the passage of time) rather than actual results. Chairman and CEO Chioini's compensation is significantly above industry standards and he has been granted excessive short-dated stock options – taking advantage of the low stock price we believe he helped create – despite the Company's poor performance.

While public shareholders were significantly diluted by the Company's botched financing in 2013, Mr. Chioini has managed to more than make up for this dilution via his excessive option grants. According to the Company's proxy statement, at year-end 2016, Mr. Chioini possessed 2,483,331 exercisable options at various execution prices and an additional 766,669 options that have not vested yet, not to mention the 1,140,000 options that Mr. Chioini has exercised since June 2013 alone.<sup>4</sup>

We believe it is clear that Rockwell's compensation practices have been nothing short of abysmal over the years. ISS has repeatedly raised high levels of concern with respect to the alignment of CEO pay and the Company's performance. Despite the Company's poor performance as noted above, Mr. Chioini's pay was 5.49 times the median of Rockwell's peers in 2014 and 4.61 times the median of its peers in 2015<sup>5</sup>. As such, we find the Company's disclosure in its proxy statement that it has historically “considered the practices of [its] peers and market pay practice when setting compensation for [its] NEOs” to be quite amusing. Did the Company consider and disregard such information? Although executive compensation was lower in 2016, whether that being a product of shareholders defeating the Company's compensation plan (the “2016 LTIP”) at the 2016 Annual Meeting or management's fear of facing an advisory vote on executive compensation for the first time in three years, it does not change the fact that a significant amount of value has been transferred to insiders over the years.

Speaking of the 2016 LTIP that was voted down by shareholders at the 2016 Annual Meeting, we believe in large part due to the significant potential value transfer it contemplated, we fear that the 2017 LTIP has the potential to be far worse for shareholders and more enriching for insiders. The 2016 LTIP sought to reserve a total of 7,500,000 shares for issuance under its proposed 10-year life. Meanwhile, the 2017 LTIP has the potential to reserve **far more shares for issuance**. The 2017 LTIP is an “evergreen” plan that allows the shares reserved for issuance under the 2017 LTIP to be automatically increased by as much as 4% of the total number of outstanding shares each calendar year. Taking

into account the 5,000,000 shares initially reserved under the 2017 LTIP and the automatic increase, based on the current number of shares outstanding, we believe there could potentially be **over 29 million shares** issued under the plan during its 10-year life, if not more. We believe this potential amount of dilution is simply unacceptable.

We are concerned that the Company's poor compensation practices will persist until public shareholders have a voice in the boardroom.

<sup>4</sup> Information derived from Rockwell's proxy statement and Form 4 filings made by Mr. Chioini.

<sup>5</sup> According to ISS reports from Rockwell's past two annual meetings.

***We Are Concerned with the Company's Failure to Monetize its Promising Drug Candidates and Lack of Transparency with Shareholders***

We are concerned that the Company has not been able to monetize its promising drug candidates and that the Company has been reluctant to communicate with shareholders around the progress of its drug pipeline.

In our view, the Company's management has been running the Company in an opaque manner that makes it extremely difficult to recognize its true potential. In fact, we cannot recall the Company discussing its drug pipeline in any level of particularity prior to its earnings call on March 15, 2017, which we believe was a purely reactionary response to our public pressure. Nevertheless, we believe more is left to be done and that the investing public would benefit from information regarding a detailed timeline for bringing the Company's drugs to market, cost data and the size of the market opportunity.

It has now been over two years since the approval of Triferic, the Company's new FDA-approved iron maintenance drug, and more than three years since the approval of Calcitriol, the Company's vitamin D drug. The Company has so far failed to generate any material sales from either of these drugs despite the fact that they are approved. We believe this clearly calls into question management's strategy and competency to successfully build shareholder value.

With regard to Triferic, the Company has never publicly defined the size of the markets of other indications for which Triferic can be used. Additionally, management has failed to put forth a plan and timeline for achieving success in these markets. Furthermore, we believe that the Company has not aggressively developed opportunities for licensing Triferic throughout the world or been sufficiently proactive in developing Triferic for other indications.

With regard to Calcitriol specifically, in February 2017 the Company announced that once again it had failed to get FDA approval to manufacture this drug and would have to start that process over, which will cause a delay of at least four to six months.

In our view, the Company's historical lack of transparency about its drug pipeline and future potential value creation opportunities has adversely impacted the Company's share price performance. If elected, our Nominee will seek to encourage improved communications with shareholders.

## PROPOSAL NO. 1

### ELECTION OF DIRECTORS

The Company currently has a classified Board, which is divided into three (3) classes. The directors in each class are elected for terms of three (3) years so that the term of office of one (1) class of directors expires at each annual meeting of shareholders. Based on the Company's proxy statement, we believe that the term of one (1) Class II director expires at the Annual Meeting. We are seeking your support at the Annual Meeting to elect our Nominee in opposition to the Company's director nominee for a term ending in 2020. [If it remains the case that the term of only one (1) director will expire at the Annual Meeting, we will withdraw one (1) of our two (2) Nominees.] Your vote to elect the Nominee will have the legal effect of replacing one (1) incumbent director of the Company with the Nominee. If elected, the Nominee will represent a minority of the members of the Board, and therefore it is not guaranteed that he will be able to implement any actions that he may believe are necessary to enhance shareholder value, as described in further detail above.

### THE NOMINEE

The following information sets forth the name, age, business address, present principal occupation, and employment and material occupations, positions, offices, or employments for the past five (5) years of the Nominee. The nomination was made in a timely manner and in compliance with the applicable provisions of the Company's governing instruments. The specific experience, qualifications, attributes and skills that led us to conclude that the Nominee should serve as directors of the Company are set forth above in the section entitled "Reasons for the Solicitation" and below. This information has been furnished to us by the Nominee. The Nominee is a citizen of the United States of America.

**[Mark H. Ravich**, age 64, currently serves as President of Tri-Star Management, Inc., a commercial real estate management and syndication company that he co-founded in 1998. Mr. Ravich has also served as a director of Orchids Paper Products Company (NYSEMKT:TIS), a national supplier of high quality consumer tissue products, since February 2013, where he also serves as Chairman of its Governance Committee and a member of its Audit Committee. Mr. Ravich has also served as a director of each of MR Instruments, Inc., an independent designer and manufacturer of advanced MRI Radiofrequency coils, since June 2004, and Dilon Technologies Inc., a designer and manufacturer of medical imaging solutions, since October 2010. Previously, from 1990 until its sale in 1998, Mr. Ravich served as the Chief Executive Officer and a director of Universal International, Inc., a wholesale retail company, where he also led its IPO. From 1978 to 1990, Mr. Ravich was a developer of commercial real estate where he was involved with all aspects of development, finance, construction, marketing, leasing and management of various commercial, industrial, office and multi-family real estate projects. Mr. Ravich began his career in 1975 as an account officer at Citibank N.A., where he made real estate construction loans to national real estate developers. Mr. Ravich also currently serves as a board advisor to Scidera Inc., a provider of clinical laboratory testing services, and is the chief manager of various real estate entities. Mr. Ravich graduated Magna Cum Laude from the Wharton School of the University of Pennsylvania with a BSE and an MBA degree with a major in finance.

Richmond Brothers believes that Mr. Ravich's prior board experience coupled with his financial expertise will make him a valuable addition to the Board.]

**[David S. Richmond**, age 45, currently serves as the Chairman of Richmond Brothers, Inc., an SEC registered investment advisor and wealth management firm that he co-founded in 1994. At Richmond Brothers, Inc., where Mr. Richmond also previously served as President, he handles strategic planning and is responsible for client investment planning, research, investment recommendations, allocations and implementation. In the course of his career as a financial services professional, Mr. Richmond also served as a registered representative at various independent firms

from 1992 to 2011. Mr. Richmond began making a living in the financial services industry at the age of 18, and started working as a financial planner at the age of 20 while attending Michigan State University. Mr. Richmond is a Chartered Advisor in Philanthropy (CAP) and currently serves as a director of The Lingap Children's Foundation, a 501(c)(3) organization focused on charitable efforts to help children in the Philippines. Mr. Richmond earned his Master of Science in Financial Services (MSFS) from American College and graduated with a BBA from Michigan State University. Mr. Richmond is a Chartered Financial Consultant (ChFC).



Richmond Brothers believes that Mr. Richmond's financial expertise and business acumen will make him a valuable addition to the Board.]

The principal business address of Mr. Ravich is 600 South Highway 169, Suite 1660, St. Louis Park, Minnesota 55426. The principal business address of Mr. Richmond is 3568 Wildwood Avenue, Jackson, Michigan 49202.

As of the date hereof, Mr. Ravich directly beneficially owns 354,750 shares of Common Stock, including 70,000 shares underlying certain call options. In addition, as the trustee of each of the NJR Trust, NSR Trust, ACR Trust and ADR Trust (collectively, the "Ravich Trusts"), Mr. Ravich may be deemed the beneficial owner of the 112,900 shares of Common Stock beneficially owned in the aggregate by the Ravich Trusts, as further explained elsewhere in this Proxy Statement. For information regarding transactions in securities of the Company during the past two years by Mr. Ravich and the Ravich Trusts, please see Schedule I.

As of the date hereof, Mr. Richmond directly beneficially owns 176,412 shares of Common Stock. Mr. Richmond, as the Chairman of RB Inc., the manager of RBI Manager, which serves as the manager of RBI PI and RBI PII, and a trustee of RBI Plan, may also be deemed the beneficial owner of the 5,405,315 shares owned in the aggregate by RB Inc., RBI PI, RBI PII and RBI Plan. Mr. Richmond may also be deemed to beneficially own the 28,096 shares directly owned by his spouse, 147 shares directly owned by his daughter and 7 shares directly owned by his son. For information regarding transactions in securities of the Company during the past two years by such parties, please see Schedule I.

The Nominee may be deemed to be a member of the Group for the purposes of Section 13(d)(3) of the Exchange Act. The Nominee specifically disclaims beneficial ownership of the securities of the Company that he does not directly own. For information regarding purchases and sales during the past two (2) years by the Nominee and by the members of the Group of securities of the Company, see Schedule I.

On February 20, 2017, RB Inc., RBI PI, RBI Manager, RBI Plan, the Ravich Trusts and Messrs. Richmond, Ravich and Curfman entered into the Group Agreement pursuant to which such parties agreed, among other things, to (i) engage in discussions with the Company regarding means to enhance shareholder value and the corporate governance of the Company and (ii) the joint filing on behalf of each of them of statements on Schedule 13D with respect to the securities of the Company to the extent required by applicable law. On March 21, 2017, RBI PII entered into the Joinder Agreement to the Group Agreement, pursuant to which it agreed to be bound by the terms and conditions set forth therein, including the obligations of a member of the group and the joint filing on behalf of each of them of statements on Schedule 13D, and any amendments thereto, with respect to the securities of the Company.

Other than as stated herein, there are no arrangements or understandings between the members of the Group or any other person or persons pursuant to which the nomination of the Nominee described herein is to be made, other than the consent by the Nominee to be named in this Proxy Statement and to serve as a director of the Company if elected as such at the Annual Meeting. Other than as stated herein, the Nominee is not a party adverse to the Company or any of its subsidiaries and does not have a material interest adverse to the Company or any of its subsidiaries in any material pending legal proceeding.

The Nominee presently is, and if elected as a director of the Company, the Nominee would, in our view, be, an “independent director” within the meaning of (i) applicable NASDAQ listing standards applicable to board composition, including Rule 5605(a)(2), and (ii) Section 301 of the Sarbanes-Oxley Act of 2002. The Nominee is not a member of the Company’s compensation, nominating or audit committee; the Nominee would, in our view, be deemed independent under any such committee’s applicable independence standards.

We do not expect that the Nominee will be unable to stand for election, but, in the event the Nominee is unable to serve or will not serve, the shares of Common Stock represented by the enclosed **BLUE** proxy card will be voted for substitute nominee(s), to the extent this is not prohibited under the Bylaws and applicable law. In addition, we reserve the right to nominate substitute person(s) if the Company makes or announces any changes to the Bylaws or takes or announces any other action that has, or if consummated would have, the effect of disqualifying the Nominee, to the extent this is not prohibited under the Bylaws and applicable law. In any such case, we would identify and properly nominate such substitute nominee(s) in accordance with the Bylaws and shares of Common Stock represented by the enclosed **BLUE** proxy card will be voted for such substitute nominee(s). We reserve the right to nominate additional person(s), to the extent this is not prohibited under the Bylaws and applicable law, if the Company increases the size of the Board above its existing size or increases the number of directors whose terms expire at the Annual Meeting.

**WE URGE YOU TO VOTE “FOR” THE ELECTION OF THE NOMINEE ON THE ENCLOSED BLUE PROXY CARD.**

PROPOSAL NO. 2

ADVISORY VOTE ON EXECUTIVE COMPENSATION

As discussed in further detail in the Company's proxy statement, the Company is asking shareholders to indicate their support for the compensation of the Company's named executive officers. This proposal, commonly known as a "Say on Pay" proposal, is not intended to address any specific item of compensation, but rather the overall compensation of the Company's named executive officers and the philosophy, policies and practices described in the Company's proxy statement. Accordingly, the Company is asking shareholders to vote for the following resolution:

"Resolved, that the shareholders approve, on an advisory basis, the compensation paid to the Company's NEOs as disclosed in 'Compensation of Executive Officers and Directors,' including the Compensation Discussion and Analysis, the accompanying compensation tables, and the related narrative disclosure in [the Company's] proxy statement."

As disclosed in the Company's proxy statement, the shareholder vote on the Say on Pay proposal is an advisory vote only and is not binding on the Board; however, the Company has disclosed that the Board and the Compensation Committee of the Board will consider the outcome of the vote when making future executive compensation arrangements for the Company's named executive officers.

As explained in the "Reasons for the Solicitation" section above, Richmond Brothers is concerned by Rockwell's compensation practices, including the historical lack of alignment between pay and performance, and encourages shareholders to vote against this Say on Pay proposal.

WE RECOMMEND A VOTE AGAINST THE SAY ON PAY PROPOSAL AND INTEND TO VOTE OUR SHARES "AGAINST" THIS PROPOSAL.

PROPOSAL NO. 3

ADVISORY VOTE ON FREQUENCY OF FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION

As discussed in further detail in the Company's proxy statement, applicable rules require the Company to include, at least once every six years, an advisory vote regarding how often shareholders wish to cast the advisory vote on executive compensation. In casting their advisory vote, shareholders may indicate their preference on whether the advisory vote on executive compensation should be held every one, two or three years, or may abstain from voting.

As disclosed in the Company's proxy statement, the shareholder vote on the frequency of the advisory vote on executive compensation is non-binding, meaning that the Board will not be obligated to take any actions or to adjust the frequency of the advisory vote on executive compensation as a result of the vote. Although the vote is non-binding, the Company has disclosed that the Board will consider the outcome of the vote when determining the frequency of future advisory votes on executive compensation. The Company further disclosed that the Board may decide that it is in the best interests of the Company's shareholders and the Company to hold an advisory vote on executive compensation more or less frequently than the frequency receiving the most votes cast by shareholders. The Company indicated that the next "Say on Pay" advisory vote will be at the 2020 annual meeting unless the Board changes the frequency following the advisory vote on the proposal relating to the frequency of the "Say on Pay" vote.

We believe that conducting the advisory vote on executive compensation every year is appropriate for the Company because it provides shareholders the opportunity to provide frequent feedback on the Company's overall compensation philosophy, design and implementation.

WE RECOMMEND A VOTE FOR "ONE YEAR" WITH RESPECT TO THE ADVISORY VOTE ON THE FREQUENCY OF THE EXECUTIVE COMPENSATION VOTE AND INTEND TO VOTE OUR SHARES FOR "ONE YEAR" ON THIS PROPOSAL.

PROPOSAL NO. 4

APPROVAL OF THE COMPANY'S 2017 LONG TERM INCENTIVE PLAN

As discussed in further detail in the Company's proxy statement, the Board adopted the Rockwell Medical, Inc. 2017 Long Term Incentive Plan, or 2017 LTIP, on March 1, 2017, subject to the approval of the Company's shareholders. Accordingly, the Company is asking shareholders to approve the 2017 LTIP.

As disclosed in the Company's proxy statement, the Company's current equity-based compensation plan, the 2007 Long Term Incentive Plan, as amended, expired on April 11, 2017, and if the 2017 LTIP is not approved by shareholders, the Company will have no ability to use equity-based compensation for its executives.

As noted in the "Reasons for the Solicitation" section above, we have serious concerns that the 2017 LTIP could be more detrimental to shareholders than the 2016 LTIP that shareholders defeated at the 2016 Annual Meeting. Specifically, the 2017 LTIP contains an uncapped "evergreen" provision whereby the shares reserved for issuance under the 2017 LTIP may be automatically increased by as much as 4% of the total number of outstanding shares each calendar year for the next ten years. According to our calculations, if the 2017 LTIP is approved, this provision gives the Board the power to **issue over 29 million shares** of Common Stock, an amount equal to 56% of the Company's outstanding shares as of the Record Date, as awards to its employees, directors and certain consultants without any further approval from shareholders. We are concerned that shareholders may not fully appreciate the potential dilution they may experience if the 2017 LTIP is passed based on the Company's description of the plan. Frankly, we believe the "evergreen" provision embedded in the 2017 LTIP is an overreach by the Board and we cannot stomach granting the Board with the power to potentially issue what amounts to over half of the Company's currently outstanding shares over the next decade. Accordingly, we encourage our fellow shareholders to vote against approval of the 2017 LTIP.

WE RECOMMEND A VOTE AGAINST THE APPROVAL OF THE 2017 LTIP AND INTEND TO VOTE OUR SHARES "AGAINST" THIS PROPOSAL.

PROPOSAL NO. 5

RATIFICATION OF SELECTION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

As discussed in further detail in the Company's proxy statement, the Audit Committee of the Board has selected Plante & Moran, PLLC as the Company's independent registered public accounting firm for the fiscal year ending December 31, 2017. The Company is submitting the selection of Plante & Moran, PLLC for ratification of the shareholders at the Annual Meeting.

As disclosed in the Company's proxy statement, shareholder approval is not required to appoint Plante & Moran, PLLC as the Company's independent registered public accounting firm, but the Company is submitting the selection of Plante & Moran, PLLC to shareholders for ratification as a matter of good corporate governance and to help ensure that the Company will have the necessary quorum at the Annual Meeting. The Company has disclosed that if shareholders fail to ratify the selection, the Audit Committee will reconsider whether or not to retain Plante & Moran, PLLC; further, even if the selection is ratified, the Audit Committee in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if they determine that such a change would be in the Company's best interests and those of its shareholders.

WE MAKE NO RECOMMENDATION WITH RESPECT TO THE RATIFICATION OF THE SELECTION OF PLANTE & MORAN, PLLC AS THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM OF THE COMPANY FOR THE 2017 FISCAL YEAR AND INTEND TO VOTE OUR SHARES "FOR" THIS PROPOSAL.

## VOTING AND PROXY PROCEDURES

Only shareholders of record on the Record Date will be entitled to notice of and to vote at the Annual Meeting. Shareholders who sell their shares of Common Stock before the Record Date (or acquire them without voting rights after the Record Date) may not vote such shares. Shareholders of record on the Record Date will retain their voting rights in connection with the Annual Meeting even if they sell such shares after the Record Date. Based on publicly available information, Richmond Brothers believes that the only outstanding class of securities of the Company entitled to vote at the Annual Meeting is the Common Stock.

Shares of Common Stock represented by properly executed **BLUE** proxy cards will be voted at the Annual Meeting as marked and, in the absence of specific instructions, will be voted **FOR** the election of the Nominee, **AGAINST** the Say on Pay proposal, **ONE YEAR** with respect to the advisory vote on the frequency of shareholder advisory votes on the compensation of the named executive officers, **AGAINST** the approval of the 2017 LTIP, and **FOR** the ratification of the selection of Plante & Moran, PLLC as the independent registered public accounting firm of the Company for the 2017 fiscal year.

According to the Company's proxy statement for the Annual Meeting, the current Board intends to nominate one (1) candidate for election at the Annual Meeting. This Proxy Statement is soliciting proxies to elect only our Nominee. Accordingly, the enclosed **BLUE** proxy card may only be voted for the Nominee and does not confer voting power with respect to the Company's nominee. The participants in this solicitation intend to vote the Richmond Brothers Group Shares in favor of the Nominee. Shareholders should refer to the Company's proxy statement for the name, background, qualifications and other information concerning the Company's nominee.

## QUORUM; BROKER NON-VOTES; DISCRETIONARY VOTING

A quorum is the minimum number of shares of Common Stock that must be represented at a duly called meeting in person or by proxy in order to legally conduct business at the meeting. For the Annual Meeting, the presence, in person or by proxy, of the holders of at least a majority of the outstanding shares of Common Stock as of the Record Date will be considered a quorum for the transaction of business.

Abstentions are counted as present and entitled to vote for purposes of determining a quorum. Shares represented by "broker non-votes" also are counted as present and entitled to vote for purposes of determining a quorum. However, if you hold your shares in street name and do not provide voting instructions to your broker, your shares will not be voted on any proposal on which your broker does not have discretionary authority to vote (a "broker non-vote"). Under applicable rules, your broker will not have discretionary authority to vote your shares at the Annual Meeting on any of the proposals.

If you are a shareholder of record, you must deliver your vote by mail, attend the Annual Meeting in person and vote, vote by Internet or vote by telephone in order to be counted in the determination of a quorum.

If you are a beneficial owner, your broker will vote your shares pursuant to your instructions, and those shares will count in the determination of a quorum. Brokers do not have discretionary authority to vote on any of the proposals at the Annual Meeting. Accordingly, unless you vote via proxy card or provide instructions to your broker, your shares of Common Stock will count for purposes of attaining a quorum, but will not be voted on the proposals.

## VOTES REQUIRED FOR APPROVAL

*Election of Directors* According to the Company's proxy statement, the Company has adopted a majority voting policy in uncontested elections and a plurality vote standard contested director elections. As a result of our nomination, the director election at the Annual Meeting will be contested, so the one (1) nominee for director receiving the highest vote total will be elected as a director of the Company. With respect to the election of directors, only votes cast "FOR" a nominee will be counted. Proxy cards specifying that votes should be withheld with respect to a nominee will result in that nominee receiving fewer votes but will not count as a vote against the nominee. Neither an abstention nor a broker non-vote will count as a vote cast "FOR" or "AGAINST" a director nominee. Therefore, abstentions and broker non-votes will have no direct effect on the outcome of the election of directors.

*Advisory Vote on Executive Compensation* According to the Company's proxy statement, although the vote is non-binding, assuming that a quorum is present, a majority of the votes cast is required to approve the Say on Pay proposal. The Company has indicated that abstentions and broker non-votes will have no effect on the proposal.

*Advisory Vote on Frequency of Advisory Vote on Executive Compensation* According to the Company's proxy statement, although the vote is non-binding, assuming that a quorum is present, the advisory vote on the frequency of the advisory vote on executive compensation will be determined by a majority of the votes cast; however, we believe this is incorrect and that the vote will be determined by a plurality of votes cast. Shareholders may vote "ONE YEAR," "TWO YEARS," "THREE YEARS" or "ABSTAIN" with respect to the advisory vote on the frequency of advisory votes on executive compensation. The Company has indicated that broker non-votes and abstentions will have no effect on the approval of the proposal.

*Approval of the 2017 LTIP* According to the Company's proxy statement, assuming that a quorum is present, a majority of the votes cast is required to approve the 2017 LTIP. The Company has indicated that abstentions and broker non-votes will have no effect on the proposal.

*Ratification of the Selection of Accounting Firm* According to the Company's proxy statement, assuming that a quorum is present, a majority of the votes cast is required to ratify Plante & Moran, PLLC as the Company's independent registered public accounting firm. The Company has indicated that abstentions and broker non-votes will have no effect on the proposal.

Under applicable Michigan law, none of the holders of Common Stock is entitled to appraisal rights in connection with any matter to be acted on at the Annual Meeting. If you sign and submit your **BLUE** proxy card without specifying how you would like your shares voted, your shares will be voted in accordance with Richmond Brothers' recommendations specified herein and in accordance with the discretion of the persons named on the **BLUE** proxy card with respect to any other matters that may be voted upon at the Annual Meeting.

## REVOCAION OF PROXIES

Shareholders of the Company may revoke their proxies at any time prior to exercise by attending the Annual Meeting and voting in person (although, attendance at the Annual Meeting will not in and of itself constitute revocation of a proxy) or by delivering a written notice of revocation. The delivery of a subsequently dated proxy which is properly completed will constitute a revocation of any earlier proxy. The revocation may be delivered either to Richmond Brothers in care of Saratoga at the address set forth on the back cover of this Proxy Statement or to the Company at 30142 Wixom Road, Wixom, Michigan 48393 or any other address provided by the Company. Although a revocation is effective if delivered to the Company, we request that either the original or photostatic copies of all revocations be mailed to Richmond Brothers in care of Saratoga at the address set forth on the back cover of this Proxy Statement so that we will be aware of all revocations and can more accurately determine if and when proxies have been received



from the holders of record on the Record Date of a majority of the shares entitled to be voted at the Annual Meeting. Additionally, Saratoga may use this information to contact shareholders who have revoked their proxies in order to solicit later dated proxies for the election of the Nominee.

**IF YOU WISH TO VOTE FOR THE ELECTION OF THE NOMINEE TO THE BOARD, PLEASE SIGN, DATE AND RETURN PROMPTLY THE ENCLOSED BLUE PROXY CARD IN THE POSTAGE-PAID ENVELOPE PROVIDED.**

#### SOLICITATION OF PROXIES

The solicitation of proxies pursuant to this Proxy Statement is being made by Richmond Brothers. Proxies may be solicited by mail, facsimile, telephone, telegraph, Internet, in person and by advertisements.

Members of Richmond Brothers have entered into an agreement with Saratoga for solicitation and advisory services in connection with this solicitation, for which Saratoga will receive a fee not to exceed \$[\_\_\_\_], together with reimbursement for its reasonable out-of-pocket expenses, and will be indemnified against certain liabilities and expenses, including certain liabilities under the federal securities laws. Saratoga will solicit proxies from individuals, brokers, banks, bank nominees and other institutional holders. Richmond Brothers has requested banks, brokerage houses and other custodians, nominees and fiduciaries to forward all solicitation materials to the beneficial owners of the shares of Common Stock they hold of record. Richmond Brothers will reimburse these record holders for their reasonable out-of-pocket expenses in so doing. It is anticipated that Saratoga will employ approximately [\_\_\_\_] persons to solicit shareholders for the Annual Meeting.

The entire expense of soliciting proxies is being borne by Richmond Brothers. Costs of this solicitation of proxies are currently estimated to be approximately \$[\_\_\_\_\_] (including, but not limited to, fees for attorneys, solicitors and other advisors, and other costs incidental to the solicitation). Richmond Brothers estimates that through the date hereof its expenses in connection with this solicitation are approximately \$[\_\_\_\_\_]. To the extent legally permissible, if Richmond Brothers is successful in its proxy solicitation, Richmond Brothers intends to seek reimbursement from the Company for the expenses it incurs in connection with this solicitation. Richmond Brothers does not intend to submit the question of such reimbursement to a vote of security holders of the Company.

#### ADDITIONAL PARTICIPANT INFORMATION

RB Inc., RBI PI, RBI PII, RBI Manager, RBI Plan, the Ravich Trusts and Messrs. Richmond, Ravich and Curfman are participants in this solicitation. The principal business of RB Inc. is serving as a registered investment advisor and is the investment advisor to certain managed accounts (the "Separately Managed Accounts"). The principal business of each of RBI PI and RBI PII is investing in securities. The principal business of RBI Manager is serving as the manager of RBI PI and RBI PII. The principal business of the RBI Plan is investing in securities. The principal occupation of Mr. Richmond is serving as Chairman of RB Inc., manager of RBI Manager and a trustee of the RBI Plan. The principal occupation of Mr. Curfman is serving as President of RB Inc. and a trustee of the RBI Plan. The principal business of the Ravich Trusts are holding, managing and distributing the property of the respective trusts and the proceeds therefrom. Mr. Ravich serves as the trustee of the Ravich Trusts and is the President of TriStar Management, Inc.

The address of the principal office of each of RB Inc., RBI PI, RBI PII, RBI Manager, the RBI Plan and Messrs. Richmond and Curfman is 3568 Wildwood Avenue, Jackson, Michigan 49202. The address of the principal office of each of Mr. Ravich and the Ravich Trusts is 600 South Highway 169, Suite 1660, St. Louis Park, Minnesota 55426.

As of the date hereof, NJR Trust beneficially owned 44,400 shares of Common Stock. As of the date hereof, NSR Trust beneficially owned 18,500 shares of Common Stock, consisting of shares underlying certain call options. As of the date hereof, ACR Trust beneficially owned 25,000 shares of Common Stock. As of the date hereof, ADR Trust beneficially owned 25,000 shares of Common Stock. As of the date hereof, Mr. Ravich directly beneficially owned 354,750 shares of Common Stock, including 70,000 shares underlying certain call options. Mr. Ravich, as the trustee of each of NJR Trust, NSR Trust, ACR Trust and ADR Trust, may be deemed to beneficially own the 112,900 shares beneficially owned in the aggregate by such trusts. As of the date hereof, 5,169,177 shares of Common Stock were held in the Separately Managed Accounts. RB Inc., as the investment advisor to the Separately Managed Accounts, may be deemed to beneficially own the 5,169,177 shares held in the Separately Managed Accounts. As of the date hereof, RBI PI beneficially owned 164,841 shares of Common Stock. As of the date hereof, RBI PII beneficially owned 29,802 shares of Common Stock. RBI Manager, as the manager of RBI PI and RBI PII, may be deemed to beneficially own the 164,841 shares owned by RBI PI and 29,802 shares owned by RBI PII. As of the date hereof, RBI Plan beneficially owned 41,495 shares of Common Stock. As of the date hereof, Mr. Richmond beneficially owned directly 176,412 shares of Common Stock. Mr. Richmond, as Chairman of RB Inc., manager of RBI Manager and a trustee of RBI Plan, may also be deemed to beneficially own the 5,169,177 shares held in the Separately Managed Accounts, 164,841 shares owned by RBI PI, 29,802 shares owned by RBI PII and 41,495 Shares owned by RBI Plan. Mr. Richmond may also be deemed to beneficially own the 28,096 shares owned directly by his spouse, 147 shares owned directly by his daughter and 7 shares owned directly by his son. As of the date hereof, Mr. Curfman beneficially owned directly 40,684 shares of Common Stock. Mr. Curfman, as President of RB Inc. and a trustee of RBI Plan, may also be deemed to beneficially own the 5,169,177 shares held in the Separately Managed Accounts and 41,495 Shares owned by RBI Plan. Mr. Curfman may also be deemed to beneficially own the 34,385 shares owned directly by his spouse.

Each participant in this solicitation is a member of a “group” with the other participants for the purposes of Section 13(d)(3) of the Exchange Act. The Group may be deemed to beneficially own the 6,152,696 shares of Common Stock owned in the aggregate by all of the participants in this solicitation. Each participant in this solicitation disclaims beneficial ownership of the shares of Common Stock that he or it does not directly own. For information regarding purchases and sales of securities of the Company during the past two (2) years by the participants in this solicitation, see Schedule I.

The securities of the Company directly beneficially owned by each of the Ravich Trusts, RBI PI, RBI PII, the RBI Plan and held in the Separately Managed Accounts were purchased with working capital (which may, at any given time, include margin loans made by brokerage firms in the ordinary course of business). The securities of the Company directly beneficially owned by each of Messrs. Ravich, Richmond and Curfman were purchased with personal funds (which may, at any given time, include margin loans made by brokerage firms in the ordinary course of business).

Except as set forth in this Proxy Statement (including the Schedules hereto), (i) during the past ten (10) years, no participant in this solicitation has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors); (ii) no participant in this solicitation directly or indirectly beneficially owns any securities of the Company; (iii) no participant in this solicitation owns any securities of the Company which are owned of record but not beneficially; (iv) no participant in this solicitation has purchased or sold any securities of the Company during the past two (2) years; (v) no part of the purchase price or market value of the securities of the Company owned by any participant in this solicitation is represented by funds borrowed or otherwise obtained for the purpose of acquiring or holding such securities; (vi) no participant in this solicitation is, or within the past year was, a party to any contract,

arrangements or understandings with any person with respect to any securities of the Company, including, but not limited to, joint ventures, loan or option arrangements, puts or calls, guarantees against loss or guarantees of profit, division of losses or profits, or the giving or withholding of proxies; (vii) no associate of any participant in this solicitation owns beneficially, directly or indirectly, any securities of the Company; (viii) no participant in this solicitation owns beneficially, directly or indirectly, any securities of any parent or subsidiary of the Company; (ix) no participant in this solicitation or any of his or its associates was a party to any transaction, or series of similar transactions, since the beginning of the Company's last fiscal year, or is a party to any currently proposed transaction, or series of similar transactions, to which the Company or any of its subsidiaries was or is to be a party, in which the amount involved exceeds \$120,000; (x) no participant in this solicitation or any of his or its associates has any arrangement or understanding with any person with respect to any future employment by the Company or its affiliates, or with respect to any future transactions to which the Company or any of its affiliates will or may be a party; and (xi) no participant in this solicitation has a substantial interest, direct or indirect, by securities holdings or otherwise, in any matter to be acted on at the Annual Meeting.

Please be advised that the Michigan Action, as further described elsewhere in this Proxy Statement, remains ongoing. Although Richmond Brothers believes the allegations in the Michigan Action are meritless, part of Rockwell's requested relief is that Richmond Brothers could be enjoined from voting shares of Common Stock or soliciting proxies at the Annual Meeting depending on the court's ruling. Please be advised that, depending on the outcome of the litigation, there is a risk that shares represented by a **BLUE** proxy card may not be voted or counted at the Annual Meeting.

Other than as stated herein, there are no material proceedings to which any participant in this solicitation or any of his or its associates is a party adverse to the Company or any of its subsidiaries or has a material interest adverse to the Company or any of its subsidiaries. With respect to the Nominee, none of the events enumerated in Item 401(f)(1)-(8) of Regulation S-K of the Exchange Act occurred during the past ten (10) years.

#### OTHER MATTERS AND ADDITIONAL INFORMATION

Richmond Brothers is unaware of any other matters to be considered at the Annual Meeting. However, should other matters, which Richmond Brothers is not aware of at a reasonable time before this solicitation, be brought before the Annual Meeting, the persons named as proxies on the enclosed **BLUE** proxy card will vote on such matters in their discretion.

#### SHAREHOLDER PROPOSALS

Proposals of shareholders intended to be presented at the 2018 Annual Meeting of Shareholders (the "2018 Annual Meeting") must, in order to be included in the Company's proxy statement and the form of proxy for the 2018 Annual Meeting, be delivered to the Company's Corporate Secretary at 30142 Wixom Road, Wixom, Michigan 48393 by [\_\_\_\_\_].

Under the Bylaws, any shareholder intending to present any proposal (other than a proposal made by, or at the direction of, the Board) at the 2018 Annual Meeting, must give written notice of that proposal to the Company's Secretary not less than ninety (90) days nor more than one-hundred and twenty (120) days prior to the first anniversary of the preceding year's annual meeting (subject to certain exceptions if the annual meeting is advanced or delayed a certain number of days). Therefore, to be presented at the 2018 Annual Meeting, such a proposal must be delivered between [\_\_\_\_\_] and [\_\_\_\_\_].

The information set forth above regarding the procedures for submitting shareholder proposals for consideration at the 2018 Annual Meeting is based on information contained in the Company's proxy statement and the Bylaws. The incorporation of this information in this proxy statement should not be construed as an admission by Richmond Brothers that such procedures are legal, valid or binding.

**INCORPORATION BY REFERENCE**

WE HAVE OMITTED FROM THIS PROXY STATEMENT CERTAIN DISCLOSURE REQUIRED BY APPLICABLE LAW THAT IS EXPECTED TO BE INCLUDED IN THE COMPANY'S PROXY STATEMENT RELATING TO THE ANNUAL MEETING. THIS DISCLOSURE IS EXPECTED TO INCLUDE, AMONG OTHER THINGS, CURRENT BIOGRAPHICAL INFORMATION ON THE COMPANY'S DIRECTORS, INFORMATION CONCERNING EXECUTIVE COMPENSATION AND OTHER IMPORTANT INFORMATION. SEE SCHEDULE II FOR INFORMATION REGARDING PERSONS WHO BENEFICIALLY OWN MORE THAN 5% OF THE SHARES AND THE OWNERSHIP OF THE SHARES BY THE DIRECTORS AND MANAGEMENT OF THE COMPANY.

The information concerning the Company contained in this Proxy Statement and the Schedules attached hereto has been taken from, or is based upon, publicly available information.

**Richmond Brothers, Inc. and Mark H. Ravich**

\_\_\_\_\_, 2017

**SCHEDULE I****TRANSACTIONS IN SECURITIES OF THE COMPANY BY THE PARTICIPANTS DURING THE PAST TWO YEARS****Richmond brothers, inc.****(Through the Separately Managed Accounts)**

<u>Shares of Common Stock</u> <u>Purchased/(Sold)</u>	<u>Date of</u> <u>Purchase/Sale</u>
(12)	07/10/2015
12	07/24/2015
(9,038)	08/07/2015
295	10/20/2015
(295)	10/20/2015
(29)	01/05/2016
29	01/21/2016
122	07/27/2016
122	07/27/2016
2,000	08/08/2016
2,000	08/08/2016
842	08/26/2016
17	08/26/2016
24	08/26/2016
(17)	08/26/2016
(24)	08/26/2016
(842)	08/26/2016
7,901	09/16/2016
7,901	09/16/2016
13,188	09/27/2016
13,188	09/27/2016
28,800	10/04/2016
28,800	10/04/2016
671	10/05/2016
(671)	10/06/2016
(63)	12/19/2016
(206)	12/20/2016
300	12/20/2016
(74)	12/21/2016
1,592	12/21/2016
764	12/21/2016
955	12/21/2016
(14)	12/22/2016

140	12/22/2016
(46)	12/23/2016
(71)	12/23/2016
759	12/23/2016
30	12/23/2016
789	12/28/2016
940	12/28/2016

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58 12/29/2016  
64 12/29/2016  
2,137 12/30/2016  
(448) 01/03/2017  
303 01/05/2017  
759 01/05/2017  
893 01/06/2017  
155 01/09/2017  
155 01/09/2017  
(285) 01/13/2017  
518 01/17/2017  
(1,090)01/17/2017  
(93) 01/17/2017  
833 01/17/2017  
696 01/18/2017  
347 01/18/2017  
523 01/19/2017  
853 01/19/2017  
906 01/20/2017  
901 01/20/2017  
450 01/20/2017  
179 01/20/2017  
662 01/23/2017  
1,521 01/23/2017  
387 01/24/2017  
388 01/24/2017  
306 01/25/2017  
(1,615)01/25/2017  
401 01/25/2017  
73 01/25/2017  
474 01/26/2017  
474 01/26/2017  
361 01/26/2017  
(227) 01/27/2017  
275 01/27/2017  
912 01/27/2017  
272 01/27/2017  
931 01/30/2017  
186 01/30/2017  
1,013 01/30/2017  
(80) 01/30/2017  
100 01/30/2017  
362 01/30/2017  
1,000 01/31/2017  
528 01/31/2017  
182 01/31/2017  
235 01/31/2017

175	01/31/2017
5,102	02/01/2017
4,166	02/03/2017
3,305	02/03/2017

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7,335 02/03/2017  
58 02/03/2017  
(270) 02/03/2017  
880 02/03/2017  
800 02/03/2017  
339 02/03/2017  
1,661 02/06/2017  
(200) 02/06/2017  
1,000 02/06/2017  
327 02/07/2017  
2,258 02/07/2017  
164 02/08/2017  
812 02/08/2017  
(287) 02/09/2017  
159 02/09/2017  
154 02/09/2017  
259 02/10/2017  
370 02/10/2017  
84 02/10/2017  
170 02/10/2017  
95 02/10/2017  
48 02/10/2017  
845 02/10/2017  
339 02/10/2017  
338 02/13/2017  
1,449 03/03/2017  
808 03/03/2017  
521 03/03/2017  
76 03/03/2017  
76 03/03/2017  
252 03/03/2017  
252 03/03/2017  
(366) 03/03/2017  
(84) 03/03/2017  
(75) 03/03/2017  
(75) 03/03/2017  
(150) 03/03/2017  
(147) 03/03/2017  
(622) 03/06/2017  
(1,225)03/06/2017  
(1,964)03/06/2017  
(311) 03/07/2017  
(2,188)03/07/2017  
(295) 03/09/2017  
923 03/13/2017  
(923) 03/13/2017  
(2,078)03/13/2017

(4,448)03/14/2017  
1,407 03/16/2017  
(1,931)03/17/2017  
876 03/22/2017

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876	03/22/2017
451	03/23/2017
1,351	03/23/2017
166	03/24/2017
795	03/27/2017
677	03/28/2017
(42)	03/29/2017
1,000	03/31/2017
(290)	03/31/2017
(458)#	#
(5,780)##	
(2,479)##	

**RBI Private Investment I, LLC**

<u>Shares of Common Stock Purchased</u>	<u>Date of Purchase</u>
15,503	09/26/2016
13,188	09/27/2016
13,500	09/30/2016
74,000	10/03/2016
28,800	10/04/2016
19,850	10/07/2016

**RBI Private Investment iI, LLC**

<u>Shares of Common Stock Purchased</u>	<u>Date of Purchase</u>
8,726	03/21/2017
21,076	03/22/2017

**RICHMOND BROTHERS 401(k) PROFIT SHARING Plan**

<u>Shares of Common Stock Purchased/(Sold)</u>	<u>Date of Purchase/Sale</u>
165	05/04/2015
187	05/04/2015
559	05/04/2015
122	08/24/2015
57	09/29/2015

187	09/29/2015
112	10/13/2015
70	01/05/2016
105	01/05/2016
73	01/06/2016

# Relationship with separately managed account terminated.

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99 01/06/2016  
248 01/06/2016  
113 01/06/2016  
22 01/21/2016  
69 01/21/2016  
68 01/21/2016  
120 01/21/2016  
96 01/21/2016  
132 01/21/2016  
21 02/03/2016  
32 02/03/2016  
99 02/03/2016  
82 02/03/2016  
707 02/05/2016  
816 02/05/2016  
126 02/09/2016  
188 02/09/2016  
167 02/09/2016  
100 02/10/2016  
38 05/09/2016  
39 05/09/2016  
256 05/24/2016  
256 05/24/2016  
50 07/27/2016  
48 07/27/2016  
87 08/08/2016  
87 08/08/2016  
87 08/08/2016  
107 08/08/2016  
107 08/08/2016  
107 08/08/2016  
1,455 08/26/2016  
306 08/26/2016  
306 08/26/2016  
712 08/26/2016  
213 08/26/2016  
1,455 08/26/2016  
29 08/26/2016  
50 08/26/2016  
58 08/26/2016  
30 08/26/2016  
641 08/26/2016  
298 08/26/2016  
298 08/26/2016  
49 08/26/2016  
120 08/26/2016  
7 09/02/2016

1 09/02/2016  
2 09/02/2016  
(590) 12/14/2016  
247 01/23/2017

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248 01/23/2017  
 267 01/23/2017  
 268 01/23/2017  
 123 02/09/2017  
 152 02/09/2017  
 1,105 02/13/2017  
 2,338 02/13/2017  
 7,408 03/21/2017

**David S. Richmond**

<u>Shares of Common Stock Purchased/(Sold)</u>	<u>Date of Purchase/Sale</u>
63 <sup>(1)</sup>	10/02/2015
7 <sup>(2)</sup>	10/02/2015
(34)	11/24/2015
(56)	12/19/2016

**matthew J. curfman**

<u>Shares of Common Stock Purchased</u>	<u>Date of Purchase</u>
812 <sup>(3)</sup>	02/05/2016
4,315 <sup>(3)</sup>	02/05/2016
38	02/10/2016

**NORMAN J. RAVICH IRREVOCABLE TRUST**

<u>Shares of Common Stock Purchased</u>	<u>Date of Purchase</u>
2,400	01/13/2016
1,000	01/14/2016

**NORMAN AND SALLY RAVICH FAMILY TRUST**

<u>Call Options Purchased</u>	<u>Call Option Strike Price (\$)</u>	<u>Call Option Expiration</u>	<u>Date of Purchase</u>
85	7.00	05/19/2017	10/18/2016
100	6.00	05/19/2017	10/19/2016

200

7.00

02/17/2017 10/26/2016

- (1) Represents shares purchased by Mr. Richmond's daughter.
- (2) Represents shares purchased by Mr. Richmond's son.
- (3) Represents shares purchased by Mr. Curfman's spouse.

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**MARK H. RAVICH**

<u>Shares of Common Stock Purchased</u>	<u>Date of Purchase</u>
2,150	05/01/2015
1,100	05/01/2015
750	05/01/2015
890	05/01/2015
5,000	05/18/2015
10,000	08/24/2015
1,600	01/07/2016
5,000	01/08/2016
5,000	01/15/2016
5,000	01/20/2016
5,000	01/28/2016
5,000	01/29/2016
4,118	02/02/2016
200	02/25/2016
500	07/15/2016
1,700	07/20/2016
1,700	08/09/2016
340	08/09/2016
350	08/09/2016
2,300	08/17/2016
200	09/09/2016
200	10/14/2016
190	10/14/2016
1,850	11/02/2016
1,700	11/02/2016
5,000 <sup>(4)</sup>	11/21/2016
850	01/13/2017
470	02/09/2017

<u>Call Options Purchased/(Sold)</u>	<u>Call Option Strike Price (\$)</u>	<u>Call Option Expiration</u>	<u>Date of Purchase/Sale</u>
100	11.00	08/21/2015	04/30/2015
100	12.00	01/15/2016	04/30/2015
(50)	9.00	05/15/2015	05/15/2015
(50)	9.00	05/15/2015	05/18/2015
(50)	9.00	05/15/2015	05/18/2015

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50	11.00	02/19/2016 09/21/2015
50	11.00	01/15/2016 09/21/2015
10	12.00	05/20/2016 12/11/2015
50	10.00	05/20/2016 12/11/2015
100	8.00	08/19/2016 02/02/2016
100	7.00	08/19/2016 02/02/2016

<sup>(4)</sup> Represents shares purchased in connection with the exercise of certain call options by Mr. Ravich.

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100 5.00 08/19/201602/03/2016  
100 5.00 08/19/201602/03/2016  
50 5.00 08/19/201602/03/2016  
50 7.00 08/19/201602/05/2016  
50 5.00 08/19/201602/08/2016  
100 5.00 08/19/201602/08/2016  
100 9.00 08/19/201603/15/2016  
100 8.00 08/19/201603/17/2016  
100 8.00 08/19/201603/17/2016  
100 9.00 08/19/201603/17/2016  
100 5.00 11/18/201604/11/2016  
150 5.00 11/18/201604/13/2016  
100 6.00 11/18/201607/21/2016  
(100)5.00 11/18/201607/22/2016  
(100)5.00 11/18/201607/22/2016  
100 6.00 11/18/201607/22/2016  
100 6.00 11/18/201607/22/2016  
100 7.00 11/18/201607/25/2016  
(68) 5.00 08/19/201607/26/2016  
(17) 5.00 08/19/201607/28/2016  
(83) 5.00 08/19/201607/29/2016  
100 10.00 11/18/201608/08/2016  
100 9.00 11/18/201608/08/2016  
100 8.00 11/18/201608/08/2016  
100 9.00 11/18/201608/09/2016  
100 9.00 11/18/201608/09/2016  
100 8.00 11/18/201608/09/2016  
(200)7.00 08/19/201608/18/2016  
100 7.00 05/19/2017 10/17/2016  
100 6.00 05/19/2017 10/17/2016  
200 8.00 02/17/2017 10/18/2016  
200 8.00 05/19/2017 10/18/2016  
200 6.00 05/19/2017 10/18/2016  
100 7.00 05/19/2017 10/19/2016  
400 9.00 02/17/2017 11/01/2016  
(65) 6.00 11/18/2016 11/16/2016  
(150)5.00 11/18/2016 11/17/2016  
(100)6.00 11/18/2016 11/18/2016  
(135)6.00 11/18/2016 11/18/2016  
(50) 5.00 11/18/2016 11/21/2016

SCHEDULE II

The following table is reprinted from the definitive proxy statement filed by Rockwell Medical, Inc. with the Securities and Exchange Commission on [\_\_\_\_], 2017.

[ ]

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IMPORTANT

Tell the Board what you think! Your vote is important. No matter how few shares of Common Stock you own, please give Richmond Brothers your proxy **FOR** the election of the Nominee and in accordance with Richmond Brothers' recommendations on the other proposals on the agenda for the Annual Meeting by taking three steps:

SIGNING the enclosed **BLUE** proxy card;

DATING the enclosed **BLUE** proxy card; and

MAILING the enclosed **BLUE** proxy card TODAY in the envelope provided (no postage is required if mailed in the United States).

**If any of your shares of Common Stock are held in the name of a brokerage firm, bank, bank nominee or other institution, only it can vote such shares of Common Stock and only upon receipt of your specific instructions.**

Depending upon your broker or custodian, you may be able to vote either by toll-free telephone or by the Internet.

Please refer to the enclosed voting form for instructions on how to vote electronically. You may also vote by signing, dating and returning the enclosed **BLUE** voting form.

If you have any questions or require any additional information concerning this Proxy Statement, please contact Saratoga at the address set forth below.

*If you have any questions, require assistance in voting your **BLUE** proxy card,*

*or need additional copies of Richmond Brothers' proxy materials,*

*please contact Saratoga at the phone numbers listed below.*

*Shareholders call toll free at (888) 368-0379*

*Email: [info@saratogaproxy.com](mailto:info@saratogaproxy.com)*

PRELIMINARY COPY SUBJECT TO COMPLETION  
DATED APRIL 5, 2017

ROCKWELL MEDICAL, INC.

2017 ANNUAL MEETING OF SHAREHOLDERS

THIS PROXY IS SOLICITED ON BEHALF OF RICHMOND BROTHERS, INC., MARK H. RAVICH AND THE OTHER PARTICIPANTS IN THEIR PROXY SOLICITATION

THE BOARD OF DIRECTORS OF ROCKWELL MEDICAL, INC.  
IS NOT SOLICITING THIS PROXY

P R O X Y

The undersigned appoints David S. Richmond, Mark. H. Ravich and [\_\_\_\_], and each of them, attorneys and agents with full power of substitution to vote all shares of common stock of Rockwell Medical, Inc. (the “Company”) which the undersigned would be entitled to vote if personally present at the 2017 Annual Meeting of Shareholders of the Company scheduled to be held at [\_\_\_\_], on [\_\_\_\_], 2017 at [\_:\_\_\_.m., local time] (including any adjournments or postponements thereof and any meeting called in lieu thereof, the “Annual Meeting”).

The undersigned hereby revokes any other proxy or proxies heretofore given to vote or act with respect to the shares of common stock of the Company held by the undersigned, and hereby ratifies and confirms all action the herein named attorneys and proxies, their substitutes, or any of them may lawfully take by virtue hereof. If properly executed, this Proxy will be voted as directed on the reverse and in the discretion of the herein named attorneys and proxies or their substitutes with respect to any other matters as may properly come before the Annual Meeting that are unknown to Richmond Brothers, Inc. and Mark H. Ravich (together, “Richmond Brothers”) a reasonable time before this solicitation.

**IF NO DIRECTION IS INDICATED WITH RESPECT TO THE PROPOSALS ON THE REVERSE, THIS PROXY WILL BE VOTED “FOR” PROPOSAL 1, “AGAINST” PROPOSAL 2, “ONE YEAR” ON PROPOSAL 3, “AGAINST” PROPOSAL 4 AND “FOR” PROPOSAL 5.**

This Proxy will be valid until the completion of the Annual Meeting. This Proxy will only be valid in connection with Richmond Brothers’ solicitation of proxies for the Annual Meeting.

IMPORTANT: PLEASE SIGN, DATE AND MAIL THIS PROXY CARD PROMPTLY!

CONTINUED AND TO BE SIGNED ON REVERSE SIDE



**BLUE PROXY CARD**

[X] Please mark vote as in this example

RICHMOND BROTHERS STRONGLY RECOMMENDS THAT SHAREHOLDERS VOTE IN FAVOR OF THE NOMINEE LISTED BELOW IN PROPOSAL 1, AGAINST PROPOSAL 2, ONE YEAR ON PROPOSAL 3, AND AGAINST PROPOSAL 4. RICHMOND BROTHERS MAKES NO RECOMMENDATION WITH RESPECT TO PROPOSAL 5.

1. Richmond Brothers' proposal to elect [Mark H. Ravich / David S. Richmond] as a Class II director of the Company to serve until the 2020 annual meeting of shareholders.

**WITHHOLD  
FOR AUTHORITY TO  
NOMINEE VOTE FOR  
NOMINEE**

Nominee: [Mark H. Ravich]     "             "  
          [David S. Richmond]

Richmond Brothers does not expect that its nominee will be unable to stand for election, but, in the event that its nominee is unable to serve or for good cause will not serve, the shares of common stock represented by this proxy card will be voted for a substitute nominee, to the extent this is not prohibited under the Bylaws and applicable law. In addition, Richmond Brothers has reserved the right to nominate substitute person(s) if the Company makes or announces any changes to the Bylaws or takes or announces any other action that has, or if consummated would have, the effect of disqualifying the nominee, to the extent this is not prohibited under the Bylaws and applicable law. In any such case, shares of common stock represented by this proxy card will be voted for such substitute nominee.

2. Company's proposal to approve, on a non-binding advisory basis, the compensation of the Company's named executive officers.

"FOR" "AGAINST" "ABSTAIN"

3. Company's proposal to approve, on a non-binding advisory basis, the frequency of shareholder advisory votes on the compensation of the Company's named executive officers.

"ONE YEAR" "TWO YEARS" "THREE YEARS" "ABSTAIN"

4. Company's proposal to approve the Company's 2017 Long Term Incentive Plan.

"FOR" "AGAINST" "ABSTAIN"

5. Company's proposal to ratify the selection of Plante & Moran, PLLC as the Company's independent registered public accounting firm for 2017.

"FOR" "AGAINST" "ABSTAIN"



**BLUE PROXY CARD**

DATED: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature, if held jointly)

\_\_\_\_\_  
(Title)

WHEN SHARES ARE HELD JOINTLY, JOINT OWNERS SHOULD EACH SIGN. EXECUTORS, ADMINISTRATORS, TRUSTEES, ETC., SHOULD INDICATE THE CAPACITY IN WHICH SIGNING. PLEASE SIGN EXACTLY AS NAME APPEARS ON THIS PROXY.