<u>TETON INVESTORS, INC.</u>
A Delaware Corporation

189 Mason Street, Greenwich, CT 06830

Telephone: (914) 457-1070
Website: https://www.tetonadv.com/
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Federal EIN: 13-4008049

Issuer's Quarterly Report
For the quarterly period ended March 31, 2024

Indicate the number of shares outstanding of each of the Issuer's classes of Common Stock, as of the end of the previous reporting period and the latest practical date.

Class	Outstanding at December 31, 2023	Outstanding at April 30, 2024
Class A Common Stock, $0.001 par value (OTCQX: TETAA)	1,313,112	1,313,112
Class B Common Stock, $0.001 par value (OTC Pink: TETAB)	329,028	329,028

Indicate by check mark whether the company is a shell company (as defined in Rule 405 of the Securities Act of 1933 and Rule 12b-2 of the Exchange Act of 1934):
Yes ☐ No ☒
Indicate by check mark whether the company's shell status has changed since the previous reporting period:
Yes ☐ No ☒
Indicate by check mark whether a Change in Control of the company has occurred over this reporting period:
Yes ☐ No ☒

Teton Investors, Inc. is responsible for the content of this Quarterly Report. The securities described in this document are not registered with, and the information contained in this report has not been filed with, or approved by, the U.S. Securities and Exchange Commission.

TETON INVESTORS, INC. AND SUBSIDIARIES

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ITEM 1: EXACT NAME OF THE ISSUER AND THE ADDRESS OF ITS PRINCIPAL EXECUTIVE OFFICES

The name of the issuer is Teton Investors, Inc.

Company Description

Teton Advisors, Inc., a company incorporated under the laws of Delaware, is a holding company that, through its subsidiaries, provides investment advisory services to open-ended funds and separate client accounts. ("Teton," the "Company," and unless we have indicated otherwise, or the context otherwise requires, references to "we" or "us" all refer to Teton Advisors, Inc.) We generally manage assets on a fully discretionary basis and invest primarily in U.S. securities. Our revenues are based primarily on the Company's level of assets under management ("AUM") and fees associated with our various investment products. We conduct our investment advisory business principally through two subsidiaries, which are registered investment advisors: Keeley-Teton Advisors, LLC ("Keeley-Teton") and Teton Advisors, LLC ("Teton LLC").

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The principal executive office and principal place of business is located at 189 Mason Street, Greenwich, CT 06830.

Telephone: (914) 457-1070

Website: https://www.tetonadv.com/

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ITEM 2: SHARES OUTSTANDING

There are two classes of Teton's common stock: class A ("Class A Stock") and class B ("Class B Stock"). Class A Stock trades on the OTCQX market under the symbol TETAA and Class B Stock trades on the OTC Pink market under the symbol TETAB.

The following table shows summary information on each class of securities outstanding as of March 31, 2024 and December 31, 2023 and 2022.

Preferred Stock	March 31,2024	December 31,2023	December 31, 2022
Number of shares authorized	350,000	350,000	350,000
Number of shares outstanding	-	-	-
Number of shares freely tradable (public float)	-	-	-
Total number of holders	-	-	-
Class A Common Stock	March 31,2024	December 31,2023	December 31, 2022
Number of shares authorized	5,150,000	5,150,000	5,150,000
Number of shares outstanding	1,313,120	1,313,112	1,313,076
Number of shares freely tradable (public float)	204,220	204,220	205,255
Total number of holders	19	19	19
Class B Common Stock	March 31,2024	December 31,2023	December 31, 2022
Number of shares authorized	2,000,000	2,000,000	2,000,000
Number of shares outstanding	329,028	329,028	329,064
Number of shares freely tradable (public float)	26,298	26,298	26,334
Total number of holders	95	95	96

The number of shares freely tradable may include shares held by stockholders owning 10% or more of our Class A and Class B common stock. These shareholders may be considered "affiliates" within the meaning of Rule 144 and their shares may be "control shares" subject to the volume and manner of sale restrictions under rule 144.

Voting Rights

The holders of Class A Stock and Class B Stock have identical rights except that (i) holders of Class A Stock are entitled to one vote per share, while holders of Class B Stock are entitled to ten votes per share, on all matters to be voted on by shareholders in general, and (ii) holders of Class A Stock are not eligible to vote on matters relating exclusively to Class B Stock and vice versa.

Stock Award and Incentive Plan

The Company maintains a stock award and incentive plan approved by the shareholders (the "Plan"), which is designed to provide incentives which will attract and retain individuals key to the success of Teton through direct or indirect ownership of our common stock. A total of 200,000 Class A Stock have been reserved for issuance under the Plan which can increase on the first trading day of January of each calendar year during the term of the Plan, beginning with the calendar year 2023, by an amount up to 5% of the combined number of shares of Class A common stock and Class B common stock outstanding as of the last trading day of the prior calendar year, as determined by the board of directors (the "Board of Directors") prior to the date of increase. Benefits under the Plan may be granted in any one or a combination of stock options, stock appreciation rights, restricted stock, restricted stock units, stock awards, phantom stock awards, dividend equivalents, and other stock or cash-based awards.

As of March 31, 2024 and December 31, 2023, there were 42,700 and 42,700, respectively, RSAs outstanding with weighted average grant prices per RSA of $37.04 and $37.04, respectively.

ITEM 3: INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

Teton Advisors, Inc. and Subsidiaries
Condensed Consolidated Statements of Operations
(Unaudited)

	Three months ended March 31, 2024	2023
Revenues		
Investment advisory fees, net	$ 2,502,979	$ 2,956,629
Distribution fees	2,798	4,923
Other income, net	293,863	207,402
Total revenues	2,799,640	3,168,954
Operating expenses		
Compensation	1,307,675	1,348,633
Sub-advisory fees	308,781	427,710
Distribution costs	350,150	394,218
Marketing and administrative fees	39,244	47,499
Advanced commissions	2,839	5,113
Other operating expenses	441,632	563,588
Total operating expenses	2,450,321	2,786,761
Income before interest, taxes, depreciation and amortization	349,319	382,193
Depreciation and amortization	81,876	84,182
Income before income taxes	267,443	298,011
Income tax provision	(30,718)	(79,525)
Net income	$ 298,161	$ 377,536
Net income per share:		
Basic	$ 0.19	$ 0.24
Fully diluted	$ 0.18	$ 0.23
Weighted average shares outstanding:		
Basic	1,599,440	1,599,440
Fully diluted	1,623,172	1,607,296

The accompanying notes are an integral part of these financial statements.

Teton Advisors, Inc. and Subsidiaries
Condensed Consolidated Statements of Financial Condition

	(Unaudited) March 31 2024	December 31, 2023
ASSETS		
Cash and cash equivalents	$ 21,332,054	$ 20,781,885
Investment advisory fees receivable	847,096	846,781
Distribution and shareholder service expense reimbursement receivable	42,540	42,404
Receivable from affiliates	2,798	1,110
Investment in securities	2,745,095	2,706,683
Contingent deferred sales commissions	4,638	6,651
Deferred tax asset	2,916,868	3,002,595
Intangible assets, net (Note C)	2,507,638	2,589,113
Right-of-use assets	106,402	140,525
Other assets (net of accumulated depreciation of $2,275 and $28,289 respectively)	420,331	351,092
Total assets	$ 30,925,460	$ 30,468,839
LIABILITIES AND STOCKHOLDERS' EQUITY		
Compensation payable	618,901	746,277
Payable to affiliates	468,741	216,340
Distribution costs payable	265,661	191,801
Income tax payable	81,550	81,040
Lease liabilities	106,402	140,525
Accrued expenses and other liabilities	921,579	1,012,587
Total liabilities	2,462,834	2,388,570
Stockholders' equity:		
Preferred stock, $0.001 par value; 350,000 and 350,000 shares authorized; none issued and outstanding	-	-
Class A Common stock, $0.001 par value; 5,150,000 and 5,150,000 shares authorized; respectively		
1,362,120 and 1,362,120 shares issued, respectively;		
1,313,112 and 1,313,112 outstanding, respectively	1,310	1,310
Class B Common stock, $0.001 par value; 2,000,000 and 2,000,000 shares authorized; respectively		
792,000 shares issued; 329,028 and 329,028 shares outstanding, respectively	339	339
Additional paid-in capital	10,968,487	10,884,291
Treasury stock, at cost (49,008 class A shares and 443 class B shares		
and 49,008 class A shares and 443 class B shares, respectively)	(1,254,002)	(1,254,002)
Retained earnings	18,746,492	18,448,331
Total stockholders' equity	28,462,626	28,080,269
Total liabilities and stockholders' equity	$ 30,925,460	$ 30,468,839

The accompanying notes are an integral part of these financial statements.

Teton Advisors, Inc. and Subsidiaries
Condensed Consolidated Statements of Stockholders' Equity
For the Three Months Ended March 31, 2024
(Unaudited)

	Common Stock Class A	Common Stock Class B	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Total
Balance at December 31, 2023	$ 1,310	$ 339	$ 10,884,291	$ (1,254,002)	$ 18,448,331	$ 28,080,269
Net income	-	-	-	-	298,161	298,161
Stock based compensation	-	-	84,196	-	-	84,196
Balance at March 31, 2024 (unaudited)	$ 1,310	$ 339	$ 10,968,487	$ (1,254,002)	$ 18,746,492	$ 28,462,626

The accompanying notes are an integral part of these financial statements.

For the Three Months Ended March 31, 2023
(Unaudited)

	Common Stock Class A	Common Stock Class B	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Total
Balance at December 31, 2022	$ 1,310	$ 339	$ 10,572,123	$ (1,254,002)	$ 17,243,213	$ 26,562,983
Net income	-	-	-	-	377,536	377,536
Stock based compensation	-	-	84,820	-	-	84,820
Balance at March 31, 2023 (unaudited)	$ 1,310	$ 339	$ 10,656,943	$ (1,254,002)	$ 17,620,749	$ 27,025,339

The accompanying notes are an integral part of these financial statements.

Teton Advisors, Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	Three months ended March 31, 2024	2023
Cash Flow from Operating Activities		
Net income	$ 298,161	$ 377,536
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Amortization of intangible assets	81,475	81,475
Amortization of deferred sales commission	2,839	5,113
Depreciation and amortization - other	401	2,707
Deferred taxes	85,727	65,912
Unrealized (gain) on investment in securities	(38,412)	(21,815)
Stock based compensation expense	84,196	84,820
(Increase) decrease in operating assets:		
Investment advisory fees receivable	(315)	20,483
Distribution and shareholder service expense reimbursement receivable	(136)	1,960
Receivable from affiliates	(1,688)	(1,625)
Income tax receivable	-	(40,996)
Contingent deferred sales commission	(826)	(1,948)
Right-of-use assets	34,123	60,386
Other assets	(69,640)	(268,954)
Increase (decrease) in operating liabilities:		
Due to broker	-	(7,947,111)
Compensation payable	(127,376)	8,712
Payable to affiliates	252,401	149,668
Distribution costs payable	73,860	26,325
Income tax payable	510	(67,197)
Lease liability	(34,123)	(68,826)
Accrued expenses and other liabilities	(91,008)	(161,377)
Total adjustments	252,008	(8,072,288)
Net cash provided by (used in) operating activities	550,169	(7,694,752)
Net increase (decrease) in cash and cash equivalents	550,169	(7,694,752)
Cash and cash equivalents:		
Beginning of year	20,781,885	26,995,341
End of period	$ 21,332,054	$ 19,300,589
Supplemental disclosure of cash flow information:		
Federal and State income tax payments	$ -	$ 121,758

The accompanying notes are an integral part of these financial statements.

A. Overview

Business Description

Teton Advisors, Inc. ("Teton," the "Company," and unless we have indicated otherwise, or the context otherwise requires, references to "we" also refer to Teton Advisors, Inc), a company incorporated under the laws of Delaware, is a holding company that, through its subsidiaries, provides investment advisory services to open-ended funds and separate client accounts.. We generally manage assets on a fully discretionary basis and invest primarily in U.S. securities. Our revenues are based primarily on the Company's level of assets under management ("AUM") and fees associated with our various investment products. We conduct our investment advisory business principally through two subsidiaries, which are registered investment advisors: Keeley-Teton Advisors, LLC ("Keeley-Teton") and Teton Advisors, LLC ("Teton LLC").

Organizational Structure

Teton (OTCQX: TETAA) was formed in Texas as Teton Advisers, LLC in December 1994. On March 2, 1998, Teton Advisers, LLC was renamed Gabelli Advisors, LLC and, on the same date, merged into Gabelli Advisers, Inc., a Delaware corporation. On January 25, 2008, Gabelli Advisers, Inc. was renamed Teton Advisors, Inc. On March 20, 2009, GAMCO Investors, Inc. ("GAMCO") spun-off their ownership interest in Teton to its stockholders. Prior to the March 20, 2009 spin-off, the Company was a 42%-owned subsidiary of GAMCO. On February 28, 2017, Teton acquired the assets of Keeley Asset Management Corp. ("KAMCO") in a newly formed, wholly-owned subsidiary, Keeley-Teton. Keeley-Teton also serves as the investment advisor for the KEELEY Funds and separately managed accounts. At the time, the acquisition expanded Teton's product suite which now has eight mutual funds under the TETON Westwood and KEELEY Funds brands (collectively referred to herein as the "Funds"), along with various separately managed account strategies.

On December 30, 2021, Teton transferred the investment management agreement with the TETON Westwood SmallCap Equity Fund and the portfolio team that managed the fund to Keeley-Teton.

Since December 31, 2021, Teton's advisory business is done through its wholly-owned subsidiary, Teton LLC, a registered investment advisor.

As specialists in small, mid and micro-cap, active value investing, our offerings include tailored separately managed accounts and eight mutual funds under the TETON Westwood, and KEELEY brands.

The Company's capital structure consists of 5,150,000 shares authorized of Class A common stock with one vote per share, 2,000,000 shares authorized of Class B common stock with ten votes per share, and 350,000 shares authorized of preferred stock.

B. Significant Accounting Policies

Basis of Presentation

The accompanying condensed consolidated financial statements have been prepared on the accrual basis of accounting in accordance with the U.S. generally accepted accounting principles ("GAAP") and include the accounts of Teton and its subsidiaries Teton LLC and Keeley-Teton. All intercompany accounts and transactions have been eliminated upon consolidation. Additionally, these interim condensed consolidated financial statements should be read in conjunction with the audited consolidated financial statements included in the Company's Annual Report for the year ended December 31, 2023.

Reclassifications

Certain amounts in prior periods may have been reclassified to conform to the current period presentation.

Use of Estimates

The preparation of the consolidated financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. Actual results could differ materially from those estimates.

Nature of Operations

Teton LLC and Keeley-Teton are both SEC registered investment advisors under the Investment Advisers Act of 1940. The Company's principal market is the United States.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held at banks and brokers, U.S. Treasury Bills and Gabelli U.S. Treasury Money Market Fund, which invests fully in instruments issued by the U.S. government. Cash equivalents may consist of cash and highly liquid investments with original maturities of less than three months and are included in the cash and cash equivalents on the condensed consolidated statements of financial condition.

Due to broker

Due to broker represents U.S. Treasury bill purchases which had not been settled as of year-end.

Securities Transactions

Investments in securities are accounted for as "trading securities" and are stated at fair value, with any unrealized gains or losses reported in current period earnings in other income, net in the condensed consolidated statements of operations. Management determines the appropriate classification of debt and equity securities at the time of purchase. Securities that are not readily marketable are stated at their estimated fair values in accordance with GAAP. Securities transactions and any related gains and losses are recorded on a trade date basis. Realized gains and losses from securities transactions are recorded on the specific identified cost basis and are included in other income, net in the condensed consolidated statements of operations.

Revenue Recognition – Investment Advisory Fees

The Company's revenues are derived primarily from investment advisory fees. Investment advisory fees are directly influenced by the level and mix of AUM as fees are derived from a contractually determined percentage of AUM for each open-end fund, separate, private client and wrap account. Advisory fees from the open-end mutual funds are computed daily based on average net assets and amounts receivable are included in investment advisory fees receivable in the condensed consolidated statements of financial condition. Advisory fees from separate, private client and wrap account clients are generally computed quarterly based on account values as of the end of the preceding or current quarter in accordance with the terms of each client's investment advisory agreement. Client agreements provide for such fees to be billed in arrears or advance. Fees billed in arrears are included in investment advisory fees receivable in the condensed consolidated statements of financial condition. Fees billed in advance are recognized as income over the quarter as the investment advisory services are performed. These revenues vary depending upon the level of sales compared with redemptions, financial market conditions and the fee structure for AUM. Revenues derived from the equity-oriented portfolios generally have higher management fee rates than fixed income portfolios. Account receivables are stated at the amount management expects to collect from outstanding balances. Management believes that all account receivables are collectible; accordingly, an allowance for doubtful accounts has not been established.

Revenue Recognition – Distribution Fees

Distribution fees include distribution fees paid to the Company by G.distributors, LLC ("G.distributors") on the TETON Westwood Funds' Class C shares sold. Class C shares have a 12b-1 Plan with a service and distribution fee totaling 1%. The distributor will advance the first year's commission at the time of the sale and collect the distribution fee monthly based on the daily average AUM over the first year. The Company has agreed to reimburse the distributor for the commissions advanced and receives the monthly service and distribution fee in return. Fees collected may be higher or lower than the amounts advanced as AUM increases or decreases during the year based on the Fund's performance.

Distribution Costs

The Company incurs certain costs which include marketing, promotion, sales commissions and intermediary distribution costs, which are expensed as incurred, principally related to the administration and sale of shares of open-end mutual funds and are included in distribution costs payable in the condensed consolidated statements of financial condition. Company incurs certain promotion and distribution costs, which are expensed as incurred, principally related to the sale of shares of open-end mutual funds and are included in distribution costs payable in the condensed consolidated statements of financial condition.

Sub-advisory Fees

Sub-advisory fees are based on predetermined percentages of revenues (in some cases, net of certain expenses) of the individual funds and are recognized as expenses as the related services are performed. The sub-advisory fees are paid in the month following when they are earned. Sub-advisory fees payable to GAMCO are included in payable to affiliates in the condensed consolidated statements of financial condition. Sub-advisory fees payable to Westwood Management Corporation are included in accrued expenses and other liabilities in the condensed consolidated statements of financial condition.

Depreciation and Amortization

Fixed assets are recorded at cost and depreciated using the straight-line method over their estimated useful lives. The intangible asset, customer relationships, is included in Intangible assets, net in the condensed consolidated statements of financial condition and will be amortized over its estimated useful life of 9 years using the straight-line method.

Intangible Assets

Intangible assets are initially measured as the excess of the cost of the acquired business over the sum of the amounts assigned to assets acquired less the liabilities assumed. Intangible assets are tested for impairment at least annually as of November 30th and whenever certain triggering events occur. In assessing the recoverability of intangible assets, projections regarding estimated future cash flows and other factors are made to determine the fair value of the assets. If the book value exceeds the fair value of the assets, an impairment charge is recorded, corresponding to the amount by which the book value exceeds the fair value.

Income Taxes

Income tax expense or benefit is based on pre-tax financial accounting income, including adjustments made for the recognition or derecognition related to uncertain tax positions. The recognition or derecognition of income tax benefit related to uncertain tax positions is determined under the guidance as prescribed by GAAP. Deferred tax assets and liabilities are recognized for the future tax attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to be recovered or concluded. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in earnings in the period that includes the enactment date.

The Company records uncertain tax positions in accordance with Accounting Standards Codification ("ASC") Topic 740, "Income Taxes", on the basis of a two-step process whereby (1) the Company determines whether it is more likely than not that the tax positions will be sustained based on the technical merits of the position and (2) for those tax positions that meet the more-likely-than-not recognition threshold, the Company recognizes the largest amount of tax benefit that is greater than 50 percent likely to be realized upon ultimate settlement with the related tax authority. The Company recognizes the accrual of interest on uncertain tax positions and penalties in income tax expense on the condensed consolidated statements of operations. Accrued interest and penalties on uncertain tax positions are included within accrued expenses and other liabilities in the condensed consolidated statements of financial condition.

Fair Value Measurement

The Company's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy in accordance with the Financial Accounting Standards Board's ("FASB") guidance on fair value measurement. The levels of the fair value hierarchy and their applicability to the Company are described below:

- Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs utilize inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include quoted prices for similar assets and liabilities in active markets and inputs other than quoted prices that are observable for the asset or liability, such as interest rates and yield curves that are observable at commonly quoted intervals.
- Level 3 inputs are unobservable inputs for the asset or liability, and include situations where there is little, if any, market activity for the asset or liability.
- Net asset value per share is utilized as a practical expedient to estimate the fair value of certain investments in hedge funds, which do not have readily determinable fair values. Investments that are measured at fair value using net asset value per share as a practical expedient are not classified in the fair value hierarchy.

Earnings Per Share

Basic earnings per share is based on the weighted-average number of common shares outstanding during each period, less unvested restricted stock. Fully diluted earnings per share is based on basic shares plus the effect of any dilutive shares from the unvested restricted stock using the treasury stock method.

Stock Based Compensation

The Company uses a fair value-based method of accounting for stock-based compensation provided to employees. The estimated fair value of the restricted stock award ("RSA") grants is determined by using the closing price of Class A Common Stock on the date of the grant. The total expense is recognized over the vesting period for these awards.

Contingent Deferred Sales Commissions

Sales commissions are paid to broker-dealers in connection with the sale of TETON Westwood Funds' Class C shares. These commissions are capitalized and amortized over a period of one year, based upon the period of time during which deferred sales commissions are expected to be recovered from distribution plan payments received from those Funds and from contingent deferred sales charges received from shareholders of those Funds upon redemption of their shares. Distribution plan payments received from these Funds are recorded in revenue as earned. Contingent deferred sales charges and early withdrawal charges received from redeeming shareholders of these funds are generally applied to reduce the Company's unamortized deferred sales commission assets. Should the Company lose its ability to recover such sales commissions through distribution plan payments and contingent deferred sales charges, the value of these assets would immediately decline, as would future cash flows. The amortization of these charges is included in advanced commissions on the condensed consolidated statements of operations.

Concentration of Credit Risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist primarily of cash equivalents held. The Company maintains cash equivalents in U.S. Treasury Bills with maturities of three months or less and Gabelli U.S. Treasury Money Market Fund, which invests fully in instruments issued by the U.S. government. The concentration of credit risk with respect to advisory fees receivable is generally limited due to the short payment terms extended to clients by the Company.

Business Segments

The Company operates in one business segment, the investment advisory and asset management business.

Allowance for Credit Losses

Accounting for Financial Instruments - Credit Losses (Topic 326) ("ASU 2016-13"), was adopted by the Company in 2022 and impacts the impairment model for certain financial assets by requiring a current expected credit loss ("CECL") methodology to estimate expected credit losses over the life of the financial asset. The Company records the estimate of expected credit losses as an allowance for credit losses. For financial assets measured at an amortized cost basis the allowance for credit losses is reported as a valuation account on the consolidated statements of financial condition that is deducted from the asset's amortized cost. Changes in the allowance for credit losses are reported in credit loss expense on the condensed consolidated statements of operations.

The Company identified advisory fees and other receivables (including, but not limited to, receivables related to fund reimbursements) as impacted by the guidance. The allowance for credit losses is based on the Company's expectation of the collectability of financial assets including fees receivable and due from affiliates utilizing CECL framework. The Company considers factors such as historical experience, credit quality, age of the balances and economic condition that may affect the Company's expectation of collectability in determining the allowance for credit losses. The Company's expectation is that credit risk associated with the receivables is not significant until they reach 90 days past due based on the contractual arrangement and expectation of collection.

As of March 31, 2024 and December 31, 2023, the Company did not provide an allowance for or experience any credit losses related to any fees or receivables.

Recent Accounting Developments

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. The amendments require disclosure of specific categories in the rate reconciliation and provide additional information for reconciling items that meet a quantitative threshold and further disaggregation of income taxes paid for individually significant jurisdictions. The ASU is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. We are currently evaluating the impact that this guidance will have on the disclosures within our consolidated financial statements.

In November 2023, the FASB issued ASU 2023-07, Segment Reporting (Topic 280), which improves reportable segment disclosure requirements. The new standard will require enhanced disclosures about a public company's significant segment expenses and more timely and detailed segment information reporting throughout the fiscal period, including for companies with a single reportable segment. The standard is effective for annual periods beginning after December 15, 2023 and interim periods beginning after December 15, 2024, and early adoption is permitted. We are currently evaluating the impact of this new standard on our consolidated financial statements and related disclosures.

C. Intangible Assets

Intangible assets represent the acquisition date fair value of acquired customer relationships, mutual fund management contracts and trade name assets acquired as part of the acquisition of the business of KAMCO on February 23, 2017. These intangible assets are reflected net of amortization, where applicable. Customer relationships is a long-lived asset which will be amortized over a 9-year period. Both the mutual fund management contracts and trade name assets are indefinite-lived assets. All these intangible assets are tested for impairment at least annually.

The following is a summary of intangible assets on March 31, 2024:

	Weighted Average Amortization Period (years)	Gross Carrying Amount	Accumulated Amortization	Impairment	Net Carrying Amount
Customer relationships	9	$ 7,360,000	$ (4,150,362)	$ (2,585,000)	$ 624,638
Mutual fund management contracts	-	12,600,000	-	(11,000,000)	1,600,000
Trade name	-	1,520,000	-	(1,237,000)	283,000
		$ 21,480,000	$ (4,150,362)	$ (14,822,000)	$ 2,507,638

Amortization expense for customer relationships for the quarters ended March 31, 2024 and 2023 was $81,475, respectively.

The following is a summary of intangible assets on December 31, 2023:

	Weighted Average Amortization Period (years)	Gross Carrying Amount	Accumulated Amortization	Impairment	Net Carrying Amount
Customer relationships	9	$ 7,360,000	$ (4,068,887)	$ (2,585,000)	$ 706,113
Mutual fund management contracts	-	12,600,000	-	(11,000,000)	1,600,000
Trade name	-	1,520,000	-	(1,237,000)	283,000
		$ 21,480,000	$ (4,068,887)	$ (14,822,000)	$ 2,589,113

Estimated amortization expense for customer relationships over its estimated life is as follows:

For the year ended December 31,	Estimated Amortization Expense
2024 (excluding the first three months ended March 31)	$ 244,424
2025	325,898
Thereafter	54,316
Total	$ 624,638

D. Fair Value Measurement

The following table presents information about the Company's assets by major categories measured at fair value on a recurring basis as of March 31, 2024 and December 31, 2023, respectively, and indicates the fair value hierarchy of the valuation techniques utilized by the Company to determine such fair value:

Assets Measured at Fair Value on a Recurring Basis as of March 31, 2024

Assets	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at Net Asset Value	Balance as of March 31, 2024
Cash equivalents	$ 21,190,659	$ -	$ -	$ -	$ 21,190,659
Investments in securities:					
Mutual funds	1,625,356	-	-	-	1,625,356
Hedge funds	-	-	-	1,119,739	1,119,739
Total investments in securities	1,625,356	-	-	1,119,739	2,745,095
Total assets, at fair value	$ 22,816,015	$ -	$ -	$ 1,119,739	$ 23,935,754

Assets Measured at Fair Value on a Recurring Basis as of December 31, 2023

Assets	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at Net Asset Value	Balance as of December 31, 2023
Cash equivalents	$ 20,695,105	$ -	$ -	$ -	$ 20,695,105
Investments in securities:					
Mutual funds	1,599,314	-	-	-	1,599,314
Hedge funds	-	-	-	1,107,369	1,107,369
Total investments in securities	1,599,314	-	-	1,107,369	2,706,683
Total assets, at fair value	$ 22,294,419	$ -	$ -	$ 1,107,369	$ 23,401,788

The following table below presents certain quantitative information about the significant unobservable inputs used in valuing the Company's nonrecurring Level 3 fair value measurements.

Assets Measured at Fair Value on a Nonrecurring Basis as of December 31, 2023

Assets	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at Net Asset Value	Balance as of December 31, 2023
Intangible assets:					
Trade name[1]	$ -	$ -	$ 283,000	$ -	$ 283,000
Total intangible assets, at fair value	$ -	$ -	$ 283,000	$ -	$ 283,000

(1) Actual valuation date of November 30, 2023.

Cash equivalents primarily consist of U.S. Treasury Bills with maturities of three months or less at the time of purchase as well as an affiliated money market fund which is invested solely in U.S. Treasuries and valued based on the net asset value of the fund. There were no transfers between any levels during the quarter ended March 31, 2024 or for the year ended December 31, 2023.

Mutual funds that are traded on public exchanges are fair valued at the reported net asset value per share at the end of the year. Hedge funds are not traded on public exchanges and are valued by using the net asset value at the end of the year as a practical expedient. The Company's hedge fund investment is a merger arbitrage strategy which has no commitments and a 30 days' notice on monthly redemptions.

E. Income Taxes

The provision for income taxes consisted of the following:

	Three months eneded March 31, 2024	2023
Federal:		
Current	$ -	$ 10,606
Deferred	56,174	51,546
State and local:		
Current	3,082	4,357
Deferred	(89,974)	(146,034)
Total	$ (30,718)	$ (79,525)

A reconciliation of the Federal statutory income tax rate to the effective tax rate is set forth below:

	Three months eneded March 31, 2024	2023
Statutory Federal income tax rate	21.0%	21.0%
State income tax, net of Federal benefit	12.2%	4.6%
Other	(44.7%)	(52.3%)
Effective income tax rate	-11.5%	-26.7%

Significant components of the Company's deferred tax assets and liabilities are as follows:

	March 30, 2024	December 31, 2023
Deferred tax assets:		
Deferred compensation	$ 369,706	$ 349,605
Impairment of intangible assets	3,693,390	3,712,002
Capitalized acquisition costs	53,610	55,582
Fixed assets	3,920	3,835
Accrued bonus	-	66,002
Federal NOL	51,099	-
State NOL	13,360	2,551
Total deferred tax assets	4,185,085	4,189,577
Deferred tax liabilities:		
Contingent deferred sales commission	(1,204)	(1,735)
Amortization of intangible assets	(1,214,683)	(1,142,731)
Other	(52,330)	(42,516)
Total deferred tax liabilities	(1,268,217)	(1,186,982)
Net deferred tax (liability) / asset	$ 2,916,868	$ 3,002,595

As of March 31, 2024 and December 31, 2023, the Company's gross unrecognized tax benefits were $435,883 and $533,968, respectively, of which $344,348 and $421,835, if recognized, would affect the Company's effective tax rate.

As of March 31, 2024 and December 31, 2023, the net liability for unrecognized tax benefits related to uncertain tax positions was $588,005 and $704,962, respectively, and is included in accrued expenses and other liabilities in the condensed consolidated statements of financial condition.

The Company recognizes both interest and penalties with respect to unrecognized tax benefits as income tax expense. As of March 31, 2024 and December 31, 2023, the Company had accrued a gross liability of $294,460 and $338,997, respectively, related to interest and penalties. The accrued amounts of interest and penalties included in accrued expenses and other liabilities in the condensed consolidated statements of financial condition.

As of March 31, 2024, management has not identified any potential material subsequent events that could have a significant impact on unrecognized tax benefits within the next twelve months.

F. Leases

The Company reviews new arrangements at inception to evaluate whether we obtain substantially all the economic benefits of and have the right to control the use of an asset. If we determine that an arrangement qualifies as a lease, we recognize a lease liability and a corresponding asset on the lease's commencement date. The lease liability is initially measured at the present value of the future minimum lease payments over the lease term using the rate implicit in the arrangement or, if not available, our incremental borrowing rate. An operating lease asset is measured initially at the value of the lease liability but excludes initial direct costs incurred. Additionally, certain of our leases contain options to extend or terminate the lease term that, if exercised, would result in the remeasurement of the operating lease liability.

Our operating leases contain both lease and non-lease components. Non-lease components are distinct elements of a contract that are not related to securing the use of the lease assets, such as common area maintenance and other management costs. We elected for our real estate operating leases to measure the lease liability by combining the lease and non-lease components as a single lease component. As such, we included the fixed payments and any payments that depend on a rate or index that relate to our lease and non-lease components in the measurement of the operating lease liability.

We recognize lease expense on a straight-line basis over the lease term. Operating lease expense is recognized as part of other operating expenses in our consolidated statements of operations. All of our leases are operating leases and primarily consist of real estate leases for our corporate offices in Chicago, IL and Greenwich, CT as well as general office equipment leases. As of March 31, 2024, the weighted-average remaining lease term on these leases is approximately 0.75 of a year and the weighted-average discount rate used to measure the lease liabilities varies from lease to lease which ranges from 3.5% to 9.9%.

Our operating lease expense for the three months ended March 31, 2024 and 2023, was $36,905 and $63,211, respectively. We made lease payments of $36,905 and $71,650 during the three months ended March 31, 2024 and 2023, respectively.

Our future undiscounted cash flows related to our operating leases and the reconciliation to the operating lease liability as of March 31, 2024, are as follows:

	Lease liabilities
2024 (excluding the first three months ended March 31)	$ 109,177
2025	614
Total future undiscounted cash flows	109,791
Less: imputed interest to be recognized in lease expense	(3,389)
Operating lease liabilities, as reported	$ 106,402

G. Equity

Voting Rights

The holders of Class A common stock and Class B common stock have identical rights except that (i) holders of Class A common stock are entitled to one vote per share, while holders of Class B common stock are entitled to ten votes per share on all matters to be voted on by stockholders in general, and (ii) holders of Class A common stock are not eligible to vote on matters relating exclusively to Class B common stock and vice versa. Class B holders are entitled to convert their shares into Class A shares at any time on a one-for-one basis.

Stock Based Compensation

For the three months ended March 31, 2024 and 2023, the Company recorded stock-based compensation expense related to RSAs of $81,475 and $81,475 respectively.

No RSA's have vested for the period ended March 31, 2024 and 2023, respectively.

H. Related Party Transactions

The following is a summary of certain related party transactions:

Mario J. Gabelli ("Mr. Gabelli") is the controlling stockholder of Teton through the shares he owns in his name and through his control of GGCP Holdings LLC, a wholly owned subsidiary of GGCP, Inc. Mr. Gabelli owned approximately 24.6% of Teton's Class A and B shares and GGCP Holdings LLC owned approximately 40.5% of Teton's Class A and B shares as of March 31,2024.

Teton holds a portion of its cash equivalents in a money market mutual fund managed by Gabelli Funds, LLC ("Gabelli Funds"). Gabelli Funds is owned 100% by GAMCO Investors, Inc. ("GAMCO"), a majority-owned subsidiary of GGCP, Inc. At March 31, 2024 and December 31, 2023, Teton had $13,684,990 and $13,274,248, respectively, invested in this money market fund included in cash and cash equivalents on the condensed consolidated statements of financial condition. For the quarter ended March 31, 2024 and 2023 the fund earned interest income of $170,624 and $86,517, respectively, included in distribution fees and other income, net on the condensed consolidated statements of operations. The Company has compared the Fund to certain other money market funds and feels that it is an attractive investment option, considering the quality of underlying U.S. Treasury securities and its low expense ratio whereby total expenses are capped at 0.08%.

The Company invests in the Gabelli ABC Fund, which is a mutual fund managed by Gabelli Funds, LLC. The Company's investment was $1,625,356 and $1,599,314 as of March 31, 2024 and December 31, 2023, respectively, included in distribution fees and other income, net on the condensed consolidated statements of operations. The investment had an unrealized gain of $26,042 and $25,199 for the quarter ended March 31, 2024 and 2023, respectively, which is included in distribution fees and other income, net on the condensed consolidated statements of operations.

The Company invests in the Gabelli Associates Fund II, LP, which is a hedge fund managed by Gabelli & Company Investment Advisers, Inc. The Company's investment was $1,119,739 and $1,107,369 as of March 31, 2024 and December 31, 2023, respectively. The investment had an unrealized gain of $12,370 and a loss of ($3,384) for the quarter ended March 31, 2024 and 2023, respectively, which is included in distribution fees and other income, net on the condensed consolidated statements of operations.

The Company pays GAMCO a sub-advisory fee at an annualized rate of 0.32% of the average net assets of the TETON Westwood Mighty Mites Fund and the TETON Convertible Securities Fund. Sub-advisory fees were $259,470 and $377,138 for the three months ended March 31, 2024 and 2023, respectively, included in sub-advisory fees on the condensed consolidated statements of operations.

The Company has a marketing and administrative fee agreement with GAMCO which is based on the average net assets of the TETON Westwood Funds. The marketing and administrative fees paid to GAMCO were $39,244 and $47,499 for the quarters ended March 31, 2024 and 2023, respectively, which is included in marketing and administrative fees on the condensed consolidated statements of operations. The effective rate for the quarters ended March 31, 2024 and 2023 was 3.1 and 2.9 basis points, respectively.

Teton and GAMCO have a transitional administrative and management services agreement whereby GAMCO provides various operational and management services. Under the agreement, Teton paid GAMCO $12,500 for each of the quarters ended March 31, 2024 and 2023, respectively, included in other operating expenses on the condensed consolidated statements of operations.

At March 31, 2024 and December 31, 2023, the amounts payable to GAMCO for the services described above were $311,214 and $111,705, respectively. The amounts are included in the payable to affiliates on the condensed consolidated statement of financial condition.

G.distributors, a subsidiary of GAMCO, serves as the principal distributor for the Funds. Teton has a mutual fund distribution services agreement with G.distributors for general oversight, compliance and registration activities related to the distribution of the Keeley Funds. The fees related to the distribution services agreement were $45,000 for the quarter ended March 31, 2024 and 2023, respectively, included in distribution costs on the condensed consolidated statements of operations.

The Company pays G.distributors distribution sales fees which include wholesaler commissions, certain promotional costs, third-party mutual fund platform fees and wholesaler reimbursements related to the sales of its funds. These distribution sales fees were $150,267 and $186,817 for the quarter ended March 31, 2024 and 2023, respectively, included in distribution costs on the condensed consolidated statements of operations.

At March 31, 2024 and December 31, 2023, the amounts payable to G.distributors for the items described above were $157,527 and $104,635 respectively. The amounts are included in the payable to affiliates on the condensed consolidated statement of financial condition.

Teton receives distribution fee income from G.distributors on the TETON Westwood Funds' Class C shares sold. For the quarter ended March 31, 2024 and 2023 distribution fees were $2,798 and $4,923, respectively, included in distribution fees on the condensed consolidated statement of operations. At March 31, 2024 and December 31, 2023, the amounts receivable from G.distributors for the distribution fee income were $2,798 and $1,110, respectively, included in receivable from affiliates on the condensed consolidated statements of financial condition.

The Company rents office space from Mason Partners, LLC, an affiliate of the Company's Chairman. These lease expenses were $11,955 and $11,955 for the three months ended March 31, 2024 and 2023, respectively, and is included in other operations expenses on the condensed consolidated statements of operations.

I. Earnings Per Share

The computations of basic and fully diluted net income per share are as follows:

	Three Months Ended March 31, 2024	Three Months Ended March 31, 2023
Basic:		
Net income attributable to Teton shareholders	$ 267,443	$ 377,536
Weighted average shares outstanding	1,599,440	1,599,440
Basic net income per share	$ 0.17	$ 0.24
Fully diluted:		
Net income attributable to Teton shareholders	$ 267,443	$ 377,536
Weighted average shares outstanding	1,623,172	1,607,296
Fully diluted net income per share	$ 0.16	$ 0.23

J. Revenue

Revenue Recognition

Revenues are recognized when the performance obligation (the investment management and advisory services provided to the client) defined by the investment advisory agreement is satisfied. For each performance obligation, we determine at contract inception whether the revenue satisfies over time or at a point in time. We derive our revenues from investment advisory fees, distribution fees and other income. Advisory fees are calculated based on a percentage of assets under management and the performance obligation is realized over the current month or calendar quarter. Once clients receive our investment advisory services, we have an enforceable right to payment.

Advisory Fee Revenues

Our advisory fees are generated by Teton LLC and Keeley-Teton, which manage client accounts under investment advisory agreements. Advisory fees are typically calculated based on a percentage of assets under management and are paid in accordance with the terms of the agreements.

For mutual funds, advisory fees are accrued daily, based upon each mutual fund's daily net assets. For other accounts, advisory fees are paid either quarterly in advance based on assets under management on the last day of the preceding quarter, or quarterly in arrears based on assets under management on the last day of the quarter just ended, subject to adjustment. We recognize advisory fee revenues as services are rendered. Since our advance paying clients' billing periods coincide with the calendar quarter to which such payments relate, revenue is recognized within the quarter and our consolidated financial statements contain no deferred advisory fee revenues. Advisory clients typically consist of institutional and mutual fund accounts.

Mutual fund advisory fee revenue is net of related fund expense reimbursements. Fund expense reimbursements for the three months ended March 31, 2024 and 2023 were $331,473 and $355,272, respectively.

Institutional investor accounts typically consist of corporate pension and profit-sharing plans, public employee retirement funds, Taft Hartley plans, endowments, foundations, and individuals. Mutual funds include the TETON Westwood Funds, a family of mutual funds for which Teton Advisors, LLC serves as advisor, and the KEELEY Funds, a family of mutual funds for which Keeley-Teton Advisors, LLC serves as advisor. These funds are available to individual investors, as well as, offered as part of our investment strategies for institutional investors and private wealth accounts.

Revenue Disaggregated

The following tables presents our revenue disaggregated by account type:

	For The Three Months Ended March 31,		Increase (decrease)	
(Unaudited)	2024	2023	$	%
Investment advisory fees				
Open-end mutual funds, net	$ 1,883,621	$ 2,268,929	$ (385,308)	-17.0%
Separate accounts	210,813	243,762	(32,949)	-13.5%
Private client	361,456	387,718	(26,262)	-6.8%
Wrap	40,489	43,809	(3,320)	-7.6%
UMA	6,600	12,411	(5,811)	-46.8%
Total investment advisory fees, net	2,502,979	2,956,629	(447,839)	-15.1%
Distribution fees	2,798	4,923	(2,125)	-43.2%
Other income, net	293,863	207,402	86,461	41.7%
Total revenues	$ 2,799,640	$ 3,168,954	$ (369,314)	-11.7%

K. Commitments and Contingencies

In the ordinary course of business, the Company may enter into contracts or agreements that contain indemnifications or warranties. Future events could occur that lead to the execution of these provisions against the Company. Based on its history and experience, the Company believes that the likelihood of any such event is remote.

L. Subsequent Events

There were no subsequent events or transactions that occurred after the balance sheet date but before May 15, 2024, the date the financial statements were available to be issued, which warrant disclosure.

MANAGEMENT'S DISCUSSION OF OPERATIONS

The following discussion should be read in conjunction with the unaudited condensed consolidated financial statements and the notes thereto included in this report.

Introduction

Our revenues are highly correlated to the level of assets under management ("AUM") and fees associated with our various investment products, rather than our own corporate assets. AUM, which is directly influenced by the level and changes of the overall equity markets, can fluctuate through acquisitions, the creation of new products, the addition of new accounts or the loss of existing accounts. Since various equity products have different fees, changes in our business mix may also affect revenues. At times, the performance of our equity products may differ markedly from popular market indices, and this can also impact our revenues. It is our belief that general stock market trends will have the greatest impact on our level of AUM and hence, revenues.

Risk Factors

There have been no material changes to the risk factors previously disclosed in our Annual Report for the year ended December 31, 2023. For a discussion of our potential risks and uncertainties, see the information under the heading "Risk Factors" in our Annual Report for the year ended December 31, 2023 which is accessible through the Company's website at TetonAdv.com.

Assets Under Management Highlights

The following table sets forth total AUM by product type as of the dates shown:

($ in millions)	3/23	6/23	9/23	12/23	3/24	% Δ From 3/23	% Δ From 12/23
Mutual Funds	$ 1,059	$ 1,033	$ 956	$ 964	$ 952	-10.1%	-1.2%
Institutional, Private Client, Wrap & UMA	429	411	350	381	419	-2.3%	10.0%
Total Assets Under Management	$ 1,488	$ 1,444	$ 1,306	$ 1,345	$ 1,371	-7.8%	1.9%
Quarterly Average Assets Under Management	$ 1,509	$ 1,416	$ 1,397	$ 1,277	$ 1,322	-12.4%	3.5%

The following tables set forth asset appreciation and net flows for the three month period ended March 31, 2024:

($ in millions)	January 1, 2024	Appreciation / (depreciation)	Net flows	March 31, 2024
Mutual Funds				
Equities	$ 964	$ 49	$ (61)	$ 952
Institutional, Private Client, Wrap & UMA	382	17	20	419
	$ 1,346	$ 66	$ (41)	$ 1,371

AUM was $1.371 billion at March 31, 2024, a decrease of 7.8% from $1.345 billion at December 31, 2023. The decrease was due to net outflows of $41 million offset by market appreciation of $66 million. Average AUM was $1.322 billion for the first quarter 2024, a decrease of 12.4% from $1.277 billion in the first quarter 2023.

Operating Results for the Three Months Ended March 31, 2024 as Compared to the Three Months Ended March 31, 2023

Revenues

Total revenues were $2,799,640 in the first quarter of 2024, a decrease of $369,314 or 11.7% from the total revenues of $3,168,954 for the same period in the prior year. The change in total revenues by revenue component was as follows:

(Unaudited)	For The Three Months Ended March 31, 2024	For The Three Months Ended March 31, 2023	Increase (decrease) $	Increase (decrease) %
Investment advisory fees				
Open-end mutual funds, net	$ 1,883,621	$ 2,268,929	$ (385,308)	-17.0%
Separate accounts	210,813	243,762	(32,949)	-13.5%
Private client	361,456	387,718	(26,262)	-6.8%
Wrap	40,489	43,809	(3,320)	-7.6%
UMA	6,600	12,411	(5,811)	-46.8%
Total investment advisory fees, net	2,502,979	2,956,629	(447,839)	-15.1%
Distribution fees	2,798	4,923	(2,125)	-43.2%
Other income, net	293,863	207,402	86,461	41.7%
Total revenues	$ 2,799,640	$ 3,168,954	$ (369,314)	-11.7%

Investment Advisory Fees, net: Investment advisory fees are directly influenced by the level and mix of AUM. The Company earns advisory fees based on the average daily AUM in the Funds and for separate accounts based on the average of the ending account values for each month of the quarter or the account value as of the end of the preceding quarter. Mutual fund investment advisory fees, net of mutual fund expense reimbursements, for the three months ended March 31, 2024 and 2023 were $1,883,621 and $2,268,929, respectively, a decrease of $385,308 or 17.0%. Average AUM for the Funds were $925.6 million for the quarter ended March 31, 2024 compared to $1.104 billion for the quarter ended March 31, 2023, a decrease of $178.4 million or 16%.

Separate account investment advisory fees for the three months ended March 31, 2024 and 2023 were $619,358 and $687,700, respectively, a decrease of $68,342 or 9.9%. Average billable AUM for separate accounts was $396.6 million for the quarter ended March 31, 2024 compared to $440.0 million for the quarter ended March 31, 2023, a decrease of $43.4 million or 10%.

Distribution Fees: Distribution fees include fees paid to the Company by G.distributors on the AUM of the TETON Westwood branded funds' Class C shares sold. Distribution fee income for the three months ended March 31, 2024 and 2023 were $2,798 and $4,923, respectively, a decrease of $2,125 or 43.2%.

Other Income, net: Other income, net includes unrealized gains and losses on investments, interest income earned from cash equivalents that were invested in a money market mutual fund and interest earned on U.S. Treasury Bills. Other income, net for the three months ended March 31, 2024 and 2023 was $293,863 and $207,402, respectively, an increase of $86,461 or 41.7%. The increase for the quarter was due to interest income earned on short-term U.S. Treasury Bills and from Teton's investment in the Gabelli U.S. Treasury Money Market Fund.

Expenses

Compensation: Compensation costs, which include salaries, portfolio manager compensation, bonuses, benefits, director fees and stock-based compensation, were $1,307,675 for the first quarter of 2024, a decrease of $40,958 or 3.0% from $1,348,633 in the prior year comparative period.

Fixed compensation costs, which include salary, benefits and director fees, were $722,787 for the first quarter of 2024, a decrease of $66,135 or 8.4% from $788,922 in the prior year comparative period. Stock based compensation for the first quarter of 2024 and 2023 was $84,196 and $84,820, respectively, a decrease of $624 or 0.1%. The remainder of the compensation expenses represents variable compensation that includes bonuses, executive compensation, along with revenue sharing that fluctuates with net investment advisory revenues. For the first quarter of 2024, variable compensation was $500,692, an increase of $25,801 or 5.4% from $474,891 in the prior year comparative period.

Sub-advisory Fees: The Company retains a sub-adviser for the TETON branded fund and three of the four TETON Westwood branded funds. All of the Keeley-Teton funds are managed in-house. Sub-advisory fees range from 32% to 35% of the net investment advisory revenues of the sub-advised funds and are recognized as expenses as the related services are performed. Sub-advisory fees for the first quarter ended March 31, 2024 and 2023 were $308,781 and $427,710, respectively, a decrease of $118,929 or 27.8%. The decrease was mostly due to lower average AUM in the sub-advised funds. Specifically, average AUM in sub-advised funds was $425.8 million for the first quarter of 2024, a decrease of $138.5 million or 24.5% from $564.3 million in the prior year comparative period.

Distribution Costs: Distribution, intermediary and shareholder service costs, which are primarily related to the sale of shares of the Funds, net of related reimbursements, were $350,150 for the first quarter of 2024, a decrease of $44,068 or 11.2% from $394,218 in the prior year comparative period.

Distribution costs including wholesaler payouts and payments made to third party distributors for Funds sold through them, including their no transaction fee programs were $303,568 for the first quarter of 2024, a decrease of $43,287 or 12.5% from the prior year comparative period amount of $346,855.

The remaining distribution costs include distribution service fees with G.distributors, an affiliate of GAMCO. These distribution costs for the quarter ended March 31, 2024 and 2023 were $46,582 and $47,363, respectively.

Marketing and Administrative Fees: Marketing and administrative fees are charges from GAMCO for administration of the mutual fund activities performed by GAMCO on behalf of the TETON Westwood branded funds, based on the average AUM in the Funds. Marketing and administration fees were $39,244 for the quarter ended March 31, 2024 compared to $47,499 for the quarter ended March 31, 2023, a decrease of $8,255 or 17.4% from the prior year period.

Advanced Commissions: Advanced commission expense was $2,839 for the first quarter of 2024 and $5,113 in the prior year comparative period, a decrease of $2,274 or 44.5%.

Other Operating Expenses: Other operating expenses, including those charged by GAMCO and incurred directly, were $441,632 for the first quarter of 2024, a decrease of $121,956 or 21.6% from $563,588 in the prior year comparative period.

Depreciation and amortization: Depreciation and amortization expense was $81,876 for the first quarter of 2024, a decrease of $2,306 or 2.7% from $84,182 for the prior year comparative period.

Income Taxes

The effective tax rate was (11.5%) and (26.7%) for the quarter ended March 31, 2024 and 2023, respectively. The negative effective tax rates relate to the reversal of prior years' FIN 48 accrual of approximately $120,000 and $160,000 for the quarter ended March 31, 2024 and 2023, respectively.

Net Income

Net income for the first quarter of 2024 was $298,161 or $0.18 per fully diluted share, versus a net income of $377,536 or $0.23 per fully diluted share, for the comparable period in 2023.

Supplemental Financial Information

As supplemental information, we provide a non-U.S. generally accepted accounting principles ("non-GAAP") performance measure that we refer to as Cash Earnings. We provide this measure in addition to, but not as a substitute for net income reported on a U.S. generally accepted accounting principles ("GAAP") basis. Our management and the Board of Directors review Cash Earnings to evaluate our ongoing performance, allocate resources and review our dividend policy. We believe that this non-GAAP performance measure is useful for management and investors when evaluating our underlying operating and financial performance and our available resources. We do not advocate that investors consider this non-GAAP measure without considering financial information prepared in accordance with GAAP.

In calculating quarterly Cash Earnings, we add back to net income the non-cash expense associated with intangible amortization expense incurred in connection with the KAMCO acquisition. Although depreciation on property & equipment and amortization of leaseholds are also non-cash expenses, we do not add it back when calculating Cash Earnings because those charges represent a decline in the value of the related assets that will ultimately require replacement.

The following table provides a reconciliation of net income to Cash Earnings for the periods presented:

	For the Quarter Ended March 31,	
	2024	2023
Net income	$ 298,161	$ 377,536
Add: Intangible amortization	81,475	81,475
Cash Earnings	$ 379,636	$ 459,011
Cash Earnings Per Fully Diluted Share	$ 0.23	$ 0.29

ITEM 5. LEGAL PROCEEDINGS

None.

ITEM 6. DEFAULTS UPON SENIOR SECURITIES

Not applicable.

ITEM 7. OTHER INFORMATION

Not applicable.

ITEM 8. EXHIBITS

Exhibit Number	Description of Exhibit
2.1	Articles of Organization of Teton Advisers LLC, dated September 14, 1994 (Incorporated by reference to Exhibit 2.1 to the Company's Form 1-SA filed with the SEC on September 28, 2022).
2.2	Articles of Amendment to Articles of Organization of Teton Advisers LLC, dated November 7, 1997 (Incorporated by reference to Exhibit 2.2 to the Company's Form 1-SA filed with the SEC on September 28, 2022).
2.3	Certificate of Incorporation of Gabelli Advisers, Inc. dated December 31, 1997 (Incorporated by reference to Exhibit 2.3 to the Company's Form 1-SA filed with the SEC on September 28, 2022).
2.4	Certificate of Merger of Gabelli Advisers LLC into Gabelli Advisers, Inc. dated January 28, 1998 (Incorporated by reference to Exhibit 2.4 to the Company's Form 1-SA filed with the SEC on September 28, 2022).
2.5	Certificate of Amendment of Certificate of Incorporation of Gabelli Advisers, Inc. dated January 25, 2008 (Incorporated by reference to Exhibit 2.5 to the Company's Form 1-SA filed with the SEC on September 28, 2022).

2.6	Amended and Restated Articles of Incorporation of Teton Advisors, Inc. dated as of January 22, 2009 (Incorporated by reference to Exhibit 2.6 to the Company's Form 1-SA filed with the SEC on September 28, 2022).
2.7	Amendment to Amended and Restated Articles of Incorporation of Teton Advisors, Inc. dated as of February 6, 2017 (Incorporated by reference to Exhibit 2.7 to the Company's Form 1-SA filed with the SEC on September 28, 2022).
2.8	Amendment to Amended and Restated Articles of Incorporation of Teton Advisors, Inc. dated as of May 18, 2017 (Incorporated by reference to Exhibit 2.8 to the Company's Form 1-SA filed with the SEC on September 28, 2022).
2.9	Amendment to Amended and Restated Articles of Incorporation of Teton Advisors, Inc. dated as of May 24, 2022 (Incorporated by reference to Exhibit 2.9 to the Company's Form 1-SA filed with the SEC on September 28, 2022).
2.10	Amended and Restated Bylaws of Teton Advisors, Inc. dated October 16, 2008 (Incorporated by reference to Exhibit 2.1 to the Company's Form 1-SA filed with the SEC on September 28, 2022).
2.11	Amendment to Amended and Restated By-laws of Teton Advisors, Inc. dated February 2, 2017 (Incorporated by reference to Exhibit 2.11 to the Company's Form 1-SA filed with the SEC on September 28, 2022).
4.1	Form of Subscription Rights Certificate (Incorporated by reference to Exhibit 4.1 to the Company's Form 1-SA filed with the SEC on September 28, 2022).
6.1	Investment Advisory Agreement, dated October 6, 1994, by and between The Westwood Funds and Teton Advisers LLC (Incorporated by reference to Exhibit 6.1 to the Company's Form 1-SA filed with the SEC on September 28, 2022).
6.2	Investment Sub-Advisory Agreement, dated October 6, 1994, by and between The Westwood Funds, Teton Advisers LLC and Westwood Management Corp (Incorporated by reference to Exhibit 6.2 to the Company's Form 1-SA filed with the SEC on September 28, 2022).
6.3	Investment Advisory Agreement, dated February 25, 1997, by and between The Westwood Funds and Teton Advisers LLC (Incorporated by reference to Exhibit 6.3 to the Company's Form 1-SA filed with the SEC on September 28, 2022).
6.4	Investment Advisory Agreement, dated May 11, 1998, by and between The Gabelli Westwood Funds and Gabelli Advisers, Inc (Incorporated by reference to Exhibit 6.4 to the Company's Form 1-SA filed with the SEC on September 28, 2022).
6.5	Investment Sub-Advisory Agreement, dated March 1, 2017, by and between The TETON Westwood Funds, Teton Advisors, Inc. and Gabelli Funds, LLC (Incorporated by reference to Exhibit 6.5 to the Company's Form 1-SA filed with the SEC on September 28, 2022).
6.6	Investment Advisory Agreement, dated October 1, 2018, by and between Keeley Funds, Inc. and Keeley-Teton Advisors, LLC (Incorporated by reference to Exhibit 6.6 to the Company's Form 1-SA filed with the SEC on September 28, 2022).
6.7	Transitional Administrative and Management Services Agreement, dated February 19, 2009, by and between GAMCO Investors, Inc. and Teton Advisors, Inc (Incorporated by reference to Exhibit 6.7 to the Company's Form 1-SA filed with the SEC on September 28, 2022).

6.8	Separation and Distribution Agreement, dated February 19, 2009, by and between GAMCO Investors, Inc. and Teton Advisors, Inc (Incorporated by reference to Exhibit 6.8 to the Company's Form 1-SA filed with the SEC on September 28, 2022).
6.9	Service Mark and Name License Agreement, dated February 19, 2009, by and between GAMCO Investors, Inc. and Teton Advisors, Inc (Incorporated by reference to Exhibit 6.9 to the Company's Form 1-SA filed with the SEC on September 28, 2022).
6.10	Mutual Fund Distribution Services Agreement, dated March 1, 2017, by and between Keeley-Teton Advisors, LLC and G.distributors, LLC (Incorporated by reference to Exhibit 6.10 to the Company's Form 1-SA filed with the SEC on September 28, 2022).
6.11	Contribution Agreement, dated December 30, 2021, by and between Teton Advisors, Inc. and Teton Advisors, LLC (Incorporated by reference to Exhibit 2.1 to the Company's Form 1-SA filed with the SEC on September 28, 2022) (Incorporated by reference to Exhibit 2.1 to the Company's Form 1-SA filed with the SEC on September 28, 2022).
6.12	Lease Agreement, dated July 23, 2018, by and between Chicago BT Property, LLC and Keeley Teton Advisors, LLC (Incorporated by reference to Exhibit 2.1 to the Company's Form 1-SA filed with the SEC on September 28, 2022).
6.13	Teton Advisors, Inc. Amended and Restated Stock Award and Incentive Plan (Incorporated by reference to Exhibit 6.13 to the Company's Form 1-SA filed with the SEC on September 28, 2022).
10.6	Employment Agreement, dated April 21, 2023, by and between the Company and Stephen G. Bondi.

ITEM 9. CERTIFICATIONS

Certification by the principal executive officers

I, Stephen Bondi, certify that:

1. I have reviewed this quarterly disclosure statement of Teton Investors, Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations, and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: May 15, 2024

/s/ Stephen Bondi
Name: Stephen Bondi
Title: Chief Executive Officer (Principal Executive Officer)

Certification by the principal financial officer

I, Patrick Huvane, certify that:

1. I have reviewed this quarterly disclosure statement of Teton Investors, Inc.;

2. Based on my knowledge, this disclosure statement does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this disclosure statement; and

3. Based on my knowledge, the financial statements, and other financial information included or incorporated by reference in this disclosure statement, fairly present in all material respects the financial condition, results of operations, and cash flows of the issuer as of, and for, the periods presented in this disclosure statement.

Date: May 15, 2024

/s/ Patrick Huvane
Name: Patrick Huvane
Title: Chief Financial Officer (Principal Financial Officer)