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# The long and short of Nearmap

[Joe Aston](#) and [Myriam Robin](#)

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The customary teeth-gnashing from public company proprietors erupted on Monday following the release last week of a short thesis on [Nearmap by activist research house J Capital](#). It was a predictable line-up – Harvey Norman’s **Gerry Harvey**, WiseTech’s **Richard White** and Corporate Travel’s **Jamie Pherous** – uttering the same disingenuity. “I don’t have an issue with short selling *per se*”, they variously say, which translates roughly to “I don’t have an issue with short selling that’s not directed at me”.

*The Australian*’s **David Swan** even sustained the irrational narrative that a report by Glaucus – laden with “a rhetoric of crime, including the words ‘suspicion, unjust, gouge, abusive, egregious and distort’” – caused the failure of listed Brisbane asset manager [Blue Sky Alternative Investments](#). That’s right, Blue Sky collapsed because someone said mean things about it. Where, oh where, have we heard such a stupid assertion before?



J Capital's Tim Murray apparently sees no difference between a leveraged long position and one that's short.  
**Nine**

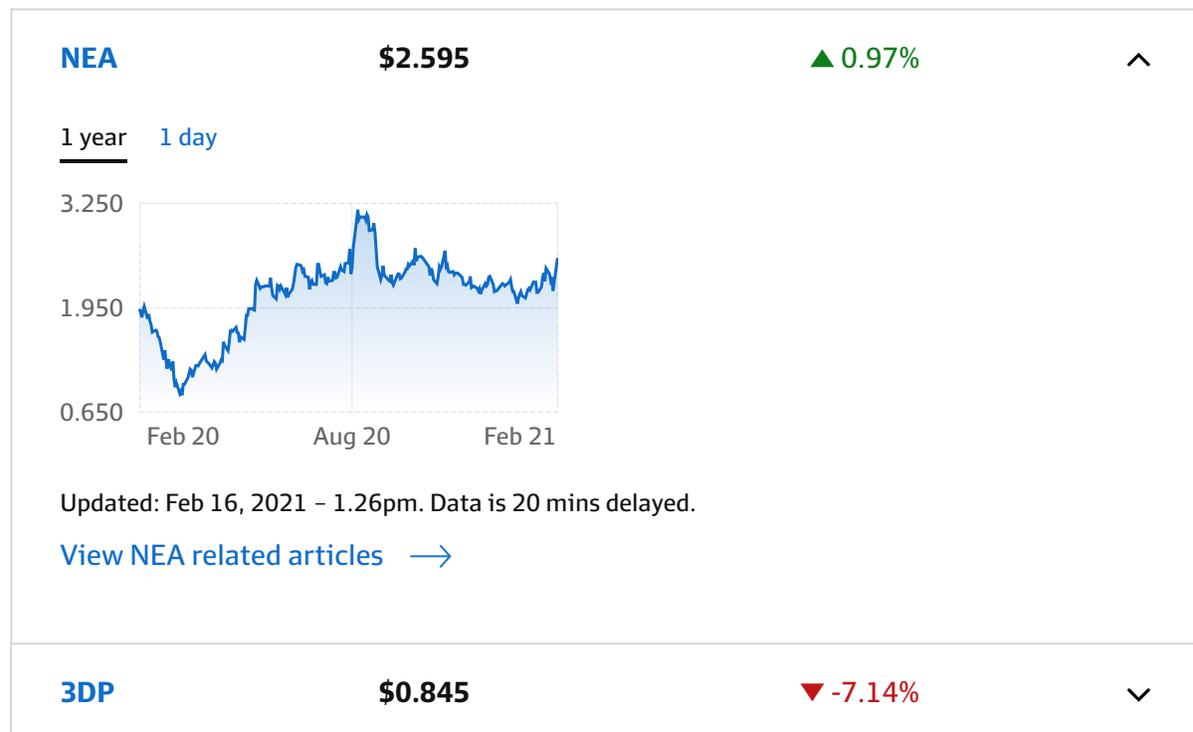
Pherous claimed that short sellers “create a report full of inaccuracies” but that “if I write something that’s not factual, there are consequences, as there should be”. Here’s the common paradox: short targets making stuff up about short sellers making stuff up. For a start, this is a guy who was significantly overstating the company’s network of global offices and boasting of “patented technology” despite not holding any patents! Pherous is a master of the dubiously factual, and a complete stranger to consequences.

All of that being said, J Capital did itself no favours by accusing veteran Nearmap director (and former chairman) **Ross Norgard** of “[lacking] faith in the current strategy of the company” as evidenced by “his aggressive share sales”

“Norgard has sold half of his shareholding over the past 12 months, netting more than \$40 million”.

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In fact, Norgard has “sold” half his shareholding over the past 24 months. A cursory inspection of Nearmap’s appendix 3Y filings would’ve shown the vast majority of those disposed of – 28.3 million of 34.5 million – were transferred to his ex-wife **Jennifer Norgard** “pursuant to an order of the Family Court”. Another 1 million were transferred in October 2019 to a margin lender.

Indeed, a cursory inspection of 3Y filings would’ve told J Capital that Norgard now has a margin loan over 3.9 million of his remaining 23.6 million shares – a matter J Capital might’ve been justifiably critical of Norgard over.

J Capital’s **Tim Murray** knows about it now, tweeting on Thursday that “if he was margin called then he was effectively shorting the stock anyway”.

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Replying to @Timpmurray

The only satire is your alleged interest in ethics. Your actions are not too different from spitting on someone who has been injured. Ross went through a tough divorce and then got margin called during Covid and yet you link this to company performance? How rude.

**Tim Murray**  
@Timpmurray

And if he was margin called then he was effectively shorting the stock anyway

2:49 PM · Feb 11, 2021

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It is bizarre in the extreme to see an activist short seller arguing that a leveraged long position is in any way equivalent to a short position.

With infelicities such as these, perhaps it's no wonder the market shrugged off J Capital's charges. Investors sent Nearmap up 19 per cent to \$2.57 on Monday following its interim results, well above its price just before the short strike.



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But short selling campaigns are long and arduous. Luckily for Nearmap's chief **Rob Newman**, who owns 2.1 per cent of the company, he also has other exposures (should J Capital win the war).

Newman used to sit on the board of Pointerra, which is also targeting the US aerial mapping market. He resigned in November 2018, but still holds 13.8 million shares. When we last [updated readers in September](#), they were worth \$6.6 million.

Assuming he hasn't sold (Nearmap didn't respond to our query), they were worth \$11.1 million on Monday. And 5 million options Newman allowed to lapse would have been worth \$4.3 million, if only he'd managed to exercise them.

Pointerra's market cap is about half of Nearmap's, but it has surged 16-fold since this time last year, adding millions to the net worth of key backer **Bevan Slattery**. The NEXTDC, Superloop and Megaport founder poured \$2.5 million into Pointerra in June, securing 50 million shares now worth \$44 million.

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