

SIGNATURE GROUP HOLDINGS, INC.
Form DEFA14A
July 10, 2012

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of the
Securities Exchange Act of 1934,
as amended

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 ss. 240.14a-12

SIGNATURE GROUP HOLDINGS, INC.

(Name of Registrant as Specified in Its Charter)

Not Applicable

(Name of Person(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:

Edgar Filing: SIGNATURE GROUP HOLDINGS, INC. - Form DEFA14A

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:

Supplemental Information
July 2012

PRIVATE AND CONFIDENTIAL
CAUTIONARY STATEMENT

This
presentation
may
contain
certain

forward-looking
statements
within
the
meaning
of
the
Private
Securities Litigation Reform Act of 1995, including statements with regard to the future performance of
Signature
Group
Holdings,
Inc.
(Signature
or
the
Company).
Words
such
as
believes,
expects,
projects,
anticipates,
and
future
or
similar
expressions
are
intended
to
identify
forward-looking
statements. These forward-looking statements are subject to the inherent uncertainties in predicting
future results and conditions. Certain factors could cause actual results to differ materially from those
projected
in
these
forward-looking
statements,
and
such
factors
are
identified
from
time
to
time

in
our
filings with the Securities and Exchange Commission (SEC). Pursuant to the Private Securities
Litigation Reform Act of 1995, Signature undertakes no obligation to publicly update or revise any
forward-looking statements, whether as a result of new information, future events or otherwise.
No
representation
or
warranty,
express
or
implied,
is
made
as
to
the
accuracy
or
completeness
of
the
information contained herein, and nothing shall be relied upon as a promise or representation as to the
future of the Company.
For more specific financial information please refer to the Company s Annual Report on form 10-K for
the year ended December 31, 2011, the Quarterly Report on form 10-Q for the quarter ended March,
31, 2012 and other SEC filings.

PRIVATE AND CONFIDENTIAL

SETTING THE RECORD STRAIGHT

Focused approach with heavy emphasis on unlocking the value of the NOL s

Opportunistically considers acquisitions of strong operating businesses that will be accretive to earnings for Signature

NABCO is a great business, is evidence of our strategy being successfully implemented and has

brought the Company closer to profitability

Takes advantage of relationships with multiple investment banking firms as well as connections that have been established with management over the last 20 years

Large acquisitions have been and continue to be evaluated, such initiatives are precisely why an increase in authorized shares is being sought by the Company

The infrastructure to manage a diverse platform of companies with our criteria requires only minimal resources at the corporate headquarters

3

Signature s Plan

PRIVATE AND CONFIDENTIAL

SETTING THE RECORD STRAIGHT

McIntyre's So Called Plan

McIntyre has not provided a detailed comprehensive plan to the stockholders

His plan is filled with hopes and promises but lacks comprehension

An unnamed interim CEO, coupled with a recruiting project to find a long term candidate, and uncertain economic terms or conditions that could be demanded, will likely result in corporate instability and uncertainty for stockholders

Lack of senior level or executive management brings additional uncertainty to the organization

Legacy matters don't just go away with a new management team

Exclusive
relationship
with
an
investment
bank
is
not
in
the
best
interest
of
the
stockholders

Mr. Peiser proposed a similar strategy while serving as a director, management and a majority of the Board thought it was costly, limiting, and unnecessary

Would
have
required
the
Company
to
pay
a
\$250,000
engagement
fee
that
would
not
be
applied
against the substantial success fees contemplated in the contract

Investment bankers interests are not necessarily aligned with Company and stockholder interests

4
Urgency
as stated by McIntyre, while sourcing of a large transaction often times leads to overpaying
and settling

PRIVATE AND CONFIDENTIAL
SETTING THE RECORD STRAIGHT

Net Operating Loss Carryforward

The Company's business strategy heavily emphasizes and contemplates the utilization of this asset

The federal NOL's have a 20 year life, they do not deteriorate over time

5

This
claim
is
disingenuous
on
McIntyre's
part
and
his

plan
would
not
receive
a
different
accounting treatment

The disclosures in the Company's 10K and 10Qs are required by our public accounting firm
and serve to protect the Company

Contrary to McIntyre's assertions, the valuation allowance established against the NOL's in the
Company's
financial
statements

is
based
on
required
accounting
treatment

under
GAAP
and
is

not
a function of the business plan

The Company has and will continue to aggressively protect the asset to ensure maximum
utilization

PRIVATE AND CONFIDENTIAL
SETTING THE RECORD STRAIGHT

The resignations of Blitzer and Peiser were positive for the Company as their presence on the board was disruptive

McIntyre previously recommended our nominee Ed Lamb as an independent director, he was brought on in 2011 and now serves as Chairman of the Audit Committee

Mr.
Lamb
successfully
oversaw
the
completion
of
nine
SEC
filings
during his tenure as Audit
Committee Chairman in a thirteen month period and abandoned the use of external counsel
Mr. Tinkler is the epitome of an independent director

He is an executive of a firm that is a 4.9% stockholder in the Company

Maintains extensive expertise in companies with unique tax attributes and significant legacy
challenges

He has no affiliation with Signature management

The current board set their personal financial interests aside to put forth the best slate possible for
stockholders

6

The Board of Directors

PRIVATE AND CONFIDENTIAL
SETTING THE RECORD STRAIGHT

The 2007 rights agreement established while McIntyre was Chairman is appropriate and serves to protect the NOL s and stockholders

The potential usage of the rights agreement was not a threat as indicated by McIntyre, it was a response to his

formation
of
a
group
with
Kingstown
Capital
that
the
Board
believed
could
jeopardize
the
NOL s

and needed time to examine

The litigation associated with the rights agreement was initiated by McIntyre and Kingstown; the Company is a defendant seeking to protect the NOL s

Contrary to McIntyre s assertion, former President, Ken Grossman, is not the beneficial owner of 5% of the stock under Section 382 of the IRS Code or for the SEC s Schedule 13D (Required Notification for 5% Stockholders)

The Company has operated appropriately, with strong corporate governance and within the confines of the SEC while it was bringing itself current with its filings, we are now able to hold annual meetings and have quarterly earnings calls

Mr. McIntyre s assertions regarding the Company s Governance are inaccurate

The Company has previously published accurate information regarding Governance

7

Stockholder Rights Agreement

Corporate Governance

PRIVATE AND CONFIDENTIAL

SETTING THE RECORD STRAIGHT

McIntyre Nominee and Former Director, Robert Peiser

In 2010 as a Director, Peiser earned more than the Company's CEO

Compensation

Mr. McIntyre continues to make erroneous assertions regarding managements overall compensation

We have previously published accurate information regarding compensation

8

Peiser advocated and voted for Director compensation packages that he now opposes as a participant in the McIntyre Slate

Mr. Peiser requested and received \$35,000 in supplemental Audit Committee Chairman fee and then proceed to outsource a significant portion of his decision making responsibilities to an external counsel costing the Company in excess of \$200,000

Mr. McIntyre has made no reference in his filings relating to the compensation levels he would pay a new management team