SIGNATURE GROUP HOLDINGS, INC.
Form DFAN14A
May 10, 2013

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

Filed by the Registrant ¨ Filed by a Party other than the Registrant x

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

x Soliciting Material Pursuant to §240.14a-12

Signature Group Holdings, Inc.

(Name of Registrant as Specified In Its Charter)

NEW SIGNATURE, LLC

CHARLESTOWN CAPITAL ADVISORS, LLC

RAJ MAHESHWARI

LEE SMITH

BOUCHARD 10S LLC

CRAIG T. BOUCHARD

DUART HOLDINGS LLC

MALCOLM F. MACLEAN IV

STEVEN GIDUMAL

CLIFFORD D. NASTAS

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

x 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:

A New Vision for SGGH:
Maximizing Shareholder Value
THE NEW SIGNATURE BOARD SLATE
May 9, 2013
*
*
*

New Signature
As Time is Running Out!
THE NEW SIGNATURE BOARD SLATE
A New Vision for SGGH
2
*
*
*

SGGH Is Underperforming In All Respects
First,
Signature s
stock
currently
trades
40%
below
the
approximate
Net Asset Value (NAV)*.
A New Vision for SGGH
3
THE NEW SIGNATURE BOARD SLATE
We know of **VERY FEW**
Acquisition
companies that trade below NAV.
*NAV
does
not
include
the
value
of
the
Net
Operating
Losses
(NOLs).
All calculations based on Company 10-K for the period ended December 31, 2012.
**As adjusted per our calculations of current value.
NAV per Share':
$0.92-1.00

Share Price (May 8, 2013):
$0.55
Discount to NAV
40-45%
Net Asset Value Analysis
($mn's)
Assets
12/31/2012
Less:
12/31/2012
Cash and Equivalents
$54
Contingent Consideration
$4
Investment Securities
3

Notes Payable
37

Loans Receivable**
33

Term Loan
7

NABCO**
55

Seller Notes
3

Other Assets (Vera Manufacturing)**
10

Cosmed**
1

Reversal of Repurchase Reserve**
8

Total
$163
Total
$51
Approximate Net Asset Value (NAV)
$112
Approximate NAV per Share
$0.92-1.00
*

*
*
*

SGGH Is Underperforming In All Respects
Second,
Signature s
market
cap
is
lower
than
the
value
of
its
Federal
NOL!
4
Note: Per the 10-K for the period ended December 31, 2012 (p.4), SGGH had a federal NOL of $886.9 million.
Note: This chart does NOT include the value of Signature s state NOLs.
A New Vision for SGGH
THE NEW SIGNATURE BOARD SLATE

*
*

Signature Today
Weak Board of Directors
Inexperienced Management
Failed to Execute a Strategy
Wasteful Cost Structure
We
believe
SGGH
trades
well
below
NAV
because
the
company
has:
5
A New Vision for SGGH
THE NEW SIGNATURE BOARD SLATE
*
*

Weak Board
Is running the company from Texas
Company HQ is in California
Deal flow is in New York and Chicago
Little discernible skill or experience with the sorts of acquisitions appropriate to SGGH
CEO Chris Colville:
Absentee
Edward Lamb:
Pre-Bankruptcy Fremont Executive
John Koral:
Retired Contractor
Retired construction company executive
No public company experience
On board since Emergence from Bankruptcy
Robert Schwab*:
Retired

Works for Los Angeles Clippers
basketball
club
Former senior executive at Fremont General
prior to bankruptcy
Least qualified member of the Board
Appears to have no experience searching,
sourcing, evaluating or executing business
transactions
The current board members lacks the skills and experience needed
to maximize the value of
Signature s assets.
6
*
We believe Mr. Schwab has withdrawn his
candidacy for the Board
A New Vision for SGGH
THE NEW SIGNATURE BOARD SLATE
*
*

Weak Board Needs Checks & Balances
Why Does Sam Zell Care about SGGH?
Per *Forbes*, Sam Zell has a net worth
of $4B as of March 2013.
Zell s ownership of SGGH stock
(11.3mm shares) cost EGI (Zell s
Fund)
only
$5mm,
or
0.12%
of
Zell s
net worth.
Sam Zell s placement of one of his Managers on the Board coupled with the
Weak Board creates an environment for Potential Conflicts

We Believe Sophisticated Investors like Sam Zell and others like
him *should*
care
about the value (from the useable NOLs) residing in Signature
7
We believe sophisticated investors willing to backstop our deals
should be embraced
However,
we
believe
there
are
many
investors
that
will
work
with
us
A New Vision for SGGH
THE NEW SIGNATURE BOARD SLATE
*
*

Chaos In The Boardroom
8
For
a
company
with
only
two
small
operating
businesses,
SGGH
has
had
extraordinary turnover in the Board of Directors. Since the 2010 Emergence
from Bankruptcy, **14**
people have served on Signature s board.
A New Vision for SGGH
THE NEW SIGNATURE BOARD SLATE
*
*

We believe Chris Colville is NOT the right CEO for SGGH:

Inexperienced Management

During Mr. Noell s tenure:

SGGH failed to execute any significant deals to utilize the NOLs

The share price declined by

over 25% since Emergence
from bankruptcy,
underperforming the market by
over 70%
Signature generated over
$21mm in operating losses
9
Failed as Chairman of
SGGH
No M&A experience
or acumen
In the kind of deals necessary to
assure Signature success
Over the last year, Colville:
Provided board oversight
during the period of significant
shareholder value destruction
Approved the severance
package for Craig Noell, in
which the Board unnecessarily
paid Mr. Noell $650,000 in cash
and 2 million
shares of stock
and warrants
Had no succession plan in place
upon the resignation of Mr.
Noell
Upon becoming CEO, accepted
250,000 shares with
accelerated vesting untied to
performance
Protégé
of
Craig Noell
A New Vision for SGGH
THE NEW SIGNATURE BOARD SLATE
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No Clear Strategy And No Ability To Execute
What do the replacement circuit breaker, cosmetics and contract furniture
manufacturing industries have to do with each other?
10
Signature
is
a
company
without
a
clear
strategy
for sustainable shareholder value creation
A New Vision for SGGH
THE NEW SIGNATURE BOARD SLATE
SGGH has only made small acquisitions in unrelated industries,
none of which create significant value for the company
We believe it demonstrates a seat-of-the-pants
approach to
acquisitions and SGGH acquisition strategy

*

*

Wasteful Cost Structure
Share count has increased from 112.6mm in the first quarter post-emergence to nearly 150mm (fully diluted) today, even though the stock price has declined from $0.80 to below $0.60.
11
Operating Losses
2011: $3mm in salaries & bonuses for top executives
2012: $2.5mm in salaries & bonuses for top executives
November 2012: General Counsel Chris Manderson was hired by the company for $1.1mm*
2013:
When Chris Colville was hired as CEO, he was awarded 250,000 restricted shares of stock with an accelerated vesting schedule untied to Colville s performance

Noell resigned, but the Board deemed separation as termination
without cause
Noell
was
paid
over
$650,000
in
unnecessary
cash
compensation
PLUS
Vesting of 1.5mn options and 500,000 shares of restricted stock
20 full-time employees at the parent/holding company level
Since Emergence from bankruptcy cumulative operating losses in
excess of $21mm
Excessive executive
compensation relative to
performance
Outrageous and
Unnecessary Departure Gift
to Craig Noell
Inefficient Staffing and
Excessive Overhead
Dilutive Stock Awards
A New Vision for SGGH
THE NEW SIGNATURE BOARD SLATE
*$270,000
base
salary
+
756,000
options
(vesting
over
3
years)
worth
approximately
$700,000
+
195,000
shares
of
restricted
stock
worth
approximately
$100,000
*

Wasteful Cost Structure
While
the
Shareholders
have
suffered,
the
Board
has
paid
itself
lavishly:
12
Sources: 2012 Company proxy filing (p. 14), 2012 Company 10-K/A (p. 4); 2012 Company 10-K (pp. 29-30).
And the Board has continued its lavish ways in 2013:

Additional Disclosed Director Payments in 2013:
Craig Noell
Resignation Payment
$650,000
2mn shares & options
Chris Colville
Gift of Accelerated Vesting
250,000 shares of stock
The 2012 payments are in addition to the $1 million in cash and stock paid to Chris Manderson upon becoming General Counsel in 2012.
Year
Director
Compensation
SGGH Operating
Loss
2011
$810,275
($20,221,000)
2012
$853,224
($7,072,000)
Cumulative
$1,663,499
($27,293,000)
A New Vision for SGGH
THE NEW SIGNATURE BOARD SLATE
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*

Our Vision For A New Signature
Appoint a seasoned CEO with the skills and experience to maximize the value of Signature s assets
Build a lean, experienced, capable, and professional management team
Compensate employees appropriately for goals achieved
Top-notch Board to oversee value creation
Pursue meaningful acquisitions
Complete 1 or 2 large (goal of >$50mn in EBITDA) transactions that will efficiently utilize the NOLs
Signature is the surviving company
Develop an appropriate capital structure. For example, finance the transaction(s) with bank debt, high-yield debt, cash and new equity
13
Our Mission is to raise the stock price significantly through a series of steps:

A New Vision for SGGH
THE NEW SIGNATURE BOARD SLATE
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Our Slate For A New Signature Board
CEOs with public company experience
Strong corporate governance and existing company knowledge
Appropriate and proven deal experience
Continued flow of deals that may be appropriate for SGGH
Proven successful track record for investor and shareholder value creation
A clear vision for generating value at SGGH
14
Unlike the current Board,
our slate offers:
A New Vision for SGGH
THE NEW SIGNATURE BOARD SLATE
*
*

SGGH Must Consider Large Deals
Higher EBITDA should result in a higher stock price (allowing us to issue proportionally fewer shares in an acquisition)
15
The bigger the deal, the higher proportion of debt the market will allow to fund the acquisition
Large Deals Should Allow More Efficient Financing:
A New Vision for SGGH
THE NEW SIGNATURE BOARD SLATE
Deal Structure Examples
Acquisition

EBITDA
25.0
$
35.0
$
50.0
$
75.0
$
100.0
$
Assumed Purchase Price
162.5
$
227.5
$
325.0
$
487.5
$
650.0
$
Multiple on EBITDA*
6.5 x
6.5 x
6.5 x
6.5 x
6.5 x
Financing
Debt
100.0
$
140.0
$
200.0
$
318.8
$
450.0
$
at 4.0x to 4.5x Coverage**
4.0 x
4.0 x
4.0 x
4.25 x
4.5 x
Cash on Hand to Use
30.0
$
30.0

$
30.0
$
35.0
$
35.0
$
New Equity to be Raised
32.5
$
57.5
$
95.0
$
133.8
$
165.0
$
Number of Shares at $0.65
50.0

88.5

146.2

na
na
Number of Shares at $1.10
na
na
86.4

121.6

150.0

*Estimate for target companies in our likely universe
**We believe the debt markets would allow us to use 4.0-4.5x leverage to finance an acquisition.
Dollars & shares in millions
*
*

SGGH Must Consider Large Deals
The faster the NOLs are utilized, the faster and
higher the stock should rise
16
Large Deals Should Create More Value For Shareholders:
The bigger the deal, the lower the interest rate
on new high yield bonds
A New Vision for SGGH
THE NEW SIGNATURE BOARD SLATE
Creating Stock Value
EBITDA
25.0
$
35.0
$

50.0
$
75.0
$
100.0
$
Interest Expense
11.0
$
15.4
$
20.0
$
31.1
$
42.8
$
Assumed Interest Rate
11.0%
11.0%
10.0%
9.75%
9.5%
Earnings before Taxes (EBT)
14.0
$
19.6
$
30.0
$
43.9
$
57.3
$
Net Income
14.0
$
19.6
$
30.0
$
43.9
$
57.3
$
Est. Number of New Shares
50.0

88.5

116.3

121.6

150.0

Est. Number of Total Shares
200.0

238.5

266.3

271.6

300.0

Earnings per Share (E.P.S.)
0.07
$
0.08
$
0.11
$
0.16
$
0.19
$
Stock Price at P/E multiple of 10
0.70
$
0.82
$
1.13
$
1.62
$
1.91
$
Stock Price at P/E multiple of 15
na
na
1.69
$
2.43
$
2.86
$
Dollars & shares in millions
*

*

Larger Deals Deliver Greater Value
Using
up
the
NOL
in
16
years
or
less
is
critical
to
maximizing the NPV Benefit of the NOLs
Every month of delay in closing a deal simply
burns more cash from operations
17
Large deals and speed are essential to maximizing the value of the NOL:
Small deals will never fully utilize the NOLs
Small deals also imply higher cumulative
transaction costs
A New Vision for SGGH
THE NEW SIGNATURE BOARD SLATE

NOL Time Usage
EBITDA
25.0
$
35.0
$
50.0
$
75.0
$
100.0
$
Earnings before Taxes (EBT)
14.0
$
19.6
$
30.0
$
43.9
$
57.3
$
Number of YEARs to use NOLs
64

45

30

20

16

NOL Amount today
890.0
$
890.0
$
890.0
$
890.0
$
890.0
$
Dollars & shares in millions
*
*

Larger Deals Deliver Greater Value
18
Large deals and speed are essential to maximizing the value of the NOL:
A
New
Vision
for
SGGH
THE NEW SIGNATURE BOARD SLATE
*Assumes: $100mn in EBITDA, generating $57.3mn in EBT, 40% tax rate. EBITDA and debt outstanding remain constant.
**Assumes: $25mn in EBITDA, generating $14.0mn in EBT, 40% tax rate. EBITDA and debt outstanding remain constant.
A $100mn EBITDA company returns the NOL
value to shareholders in **16**
years*
A $25mn EBITDA company returns the NOL value to shareholders in **64**

years**
The Present Value of the NOL
is
significantly higher
with bigger
deals.
Large deals deliver value to
shareholders much faster; while
small deals deliver value much
slower, if at all.
Value
Value
*
*

Recent Deals Our Board Slate Has Evaluated
19
Transaction A:
Transaction B:
The New Signature Board Slate is seeing the type of deals that SGGH needs
Industrial Company with steady earnings and
EBITDA of approximately $100mm
Product Supply Company with $75mm of EBITDA
SGGH could have purchased at an attractive
price
Deal would have used the NOLs quite
effectively, creating value
A
New
Vision
for
SGGH
THE NEW SIGNATURE BOARD SLATE
*
*

Conclusion
20

Weak Board with Inappropriate Talent Mix

Inexperienced Management

Ineffective Strategy (actually, NO
strategy)

Wasteful Cost Structure
The New Signature Board
slate offers:

CEOs with public company experience

Appropriate deal experience and access to deal flow

Demonstrated value creation for investors and
shareholders

A vision for generating value at SGGH
Please
vote
the

GOLD
Proxy!
Thank
you.
As
Time
is
Running
Out.
SGGH Today suffers from:
A
New
Vision
for
SGGH
THE NEW SIGNATURE BOARD SLATE
*
*

New Signature
As Time is Running Out!
THE NEW SIGNATURE BOARD SLATE
A New Vision for SGGH
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Appendix
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The New Signature Slate
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Craig Bouchard
Chairman of the Board and Chief Executive Officer of Cambelle-Inland, LLC, an entity created in 2013 through which Mr.
Bouchard manages certain investment activities in China. Prior to founding Cambelle-Inland, LLC, in 2010, Mr.
Bouchard founded Shale-Inland, a leading master distributor of stainless steel pipe, valves and fittings, and stamped and fabricated parts to the US energy industry with revenues approaching $1 billion. Mr. Bouchard served as the Chief Executive Officer and later as the Chairman of the Board of Shale-Inland through 2012. Before he founded Shale-Inland, Mr. Bouchard was President and Vice Chairman of Esmark, Inc., a publicly traded company

on the NASDAQ. Mr. Bouchard co-founded Esmark, Inc. in 2004. Craig was named a finalist for the 2005 Ernst & Young Entrepreneur of the Year Award in Illinois. His team later crafted the first and only hostile reverse tender merger on Wall Street, successfully replacing 9 directors of Wheeling Pittsburg Corporation in 2007. In doing so, Esmark became the nation s fifth largest steel company. During Mr. Bouchard s tenure, Esmark s revenues grew from $4 million to over $3 billion. The company was one of the highest appreciating stocks on the NASDAQ or the NYSE for the full year 2008. The story was told in America for Sale, Copyright 2009, Craig T. Bouchard and James V. Koch (ABC-CLIO). From 1998-2003, Mr. Bouchard was the President and Chief Executive Officer of New York based NumeriX, a risk management software company commanding a leading market share on Wall Street. Mr. Bouchard holds a Bachelors degree from Illinois State University, a Masters Degree in Economics from Illinois State University, and an MBA from the University of Chicago.

He has been a member of the Board of Trustees of Boston University and the Foundation of the University of Montana. He is currently a member of the Board of the Department of Athletics at Duke University. Mr. Bouchard holds United States Patent No. 4,212,168, Power Producing Dry-Type Cooling Systems, and has authored, with James V. Koch, the book The Caterpillar Way. Lessons in Leadership, Growth and Stockholder

Value,
Copyright
2013,
(McGraw
Hill,
November
2013;
www.craigbouchard.com).
Mr. Bouchard has significant executive experience in a variety of industries, including
risk management, strategic planning, raising capital, financial engineering, a distinctive record of business successes and considerable experience in growing his companies both organically and through accretive acquisitions.
A
New
Vision
for
SGGH
THE NEW SIGNATURE BOARD SLATE
*
*

The New Signature Slate
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Steve Gidumal
A New Vision for SGGH
THE NEW SIGNATURE BOARD SLATE

Since 2004, served as the co-founder, President and Portfolio Manager for Virtus Capital, L.P., a firm based in Orlando, Florida that invests in the securities of companies in distressed and restructuring situations, including a variety of real estate and financial institutions. From August 2006 to August 2008, Mr. Gidumal also served as Co-Portfolio Manager of Resurgence Asset Management, a distressed fund based in New York City for which he co-ran a portfolio in excess of $400 million, and played a key role in selling operating businesses and being the lead negotiator for a group of investors in the multi-billion Eurotunnel restructuring and in the Smartalk litigation resolution.

Mr. Gidumal served on the Board of the Company from 2011-2012. He has also been a director of Golden Gate Homes, Inc. since 2009, and has been the sole director since 2011. From 2011 to 2012, Mr. Gidumal served as the Chairman of the Board of Directors of RoomStore, Inc., where he also served on the Audit Committee, the Compensation Committee and the Corporate Governance Committee. From 2006 to 2008, Mr. Gidumal served as a director for Sterling Chemicals, Inc., where he also served on the Compensation Committee. Mr. Gidumal also served on the Board of Managers for Mirant Corporate Asset Recovery (MCAR) litigation trust from 2006 to 2012, where he was the lead negotiator in the litigation with Southern Energy, where he negotiated a $202 million cash settlement which was paid to MCAR.

Mr. Gidumal earned a Bachelor of Science degree in Economics from the University of Pennsylvania (Wharton undergraduate program) and a Master of Business Administration from Harvard Business School as a Baker Scholar. Mr. Gidumal is a proposed Concerned Stockholder Nominee in light of Mr. Gidumal s significant experience as an investor, board member and committee member. Further, Mr. Gidumal has considerable expertise in financial statement audits and capital allocation.

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The New Signature Slate
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Malcolm F. MacLean IV
Managing Member of Duart Holdings LLC. Mr. MacLean is a Founder, Managing Partner and Director of Star Asia Group, an opportunistic real estate debt and equity investment firm in Tokyo which was he co-founded in 2006. Mr. MacLean is also the co-Founder and Chairman of Delta Capital Investments KK, a student housing and share-house investment company based in Tokyo, which was founded in 2009. Mr. MacLean also serves as a Partner at Taurus

Capital Partners LLC, an angel and venture capital investor. From 2000 to 2009, Mr. MacLean was the President and Head Trader at Mercury Global Real Estate Advisors LLC, a global real estate investment firm. From 1992 to 2000, Mr. MacLean was a senior investment banker in Kidder, Peabody & Co. s

and
PaineWebber
Inc.   s Real Estate Investment Banking Groups, specializing in originating, structuring and executing of equity, debt and mergers and acquisitions transactions consummating transactions in excess of $15 billion.
Mr.
MacLean
earned
a
Bachelor
of
Arts
degree
in
Economics
and
Law
at
Trinity
College
in
Hartford,
Connecticut.
He
also
studied
International
Economics
at
Cambridge
University
in
the
United
Kingdom.
Mr.
MacLean
has
over
20 years of experience in the global investment business having structured and consummated over $20 billion of investments. His expertise is in identifying and making deep value and special situations investments and then creating additional value for investors.
A New Vision for SGGH
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The New Signature Slate
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Raj Maheshwari
A
New
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for
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THE NEW SIGNATURE BOARD SLATE
Managing Director of Charlestown Capital Advisors, LLC, a private merchant banking company specializing in financial advisory/ merchant banking services (including mergers and acquisitions advisory) to public and private market emerging companies. Under Mr. Maheshwari s tenure, Charlestown Capital has been a mergers and acquisitions advisor to Esmark, Inc, a steel company that was sold to OAO Severstal of Russia in August, 2008 for $1.3 billion.
Charlestown Capital continues to be a financial advisor to The Bouchard Group, the founders of Esmark, Inc. and to their successor companies. In 2011, Charlestown Capital led the successful reorganization of Meruelo Maddux Properties (subsequently renamed EVOQ Properties), a commercial real estate company based in Los Angeles under Chapter 11 of the U.S. Bankruptcy Code. Charlestown Capital, under Mr. Maheshwari s leadership, has been a strategic mergers and acquisitions advisor to emerging companies

in
a
variety
of
sectors.
In
particular,
Charlestown
assisted in Shale-Inland s acquisitions of Main Steel in 2011 HDSupply IPVF in 2012. Charlestown Capital has also advised Akela Pharmaceuticals, LTS Lohmann, Artevea Digital, among other emerging companies, in their mergers and acquisitions activities.

Prior to founding Charlestown Capital, Mr. Maheshwari was a portfolio manager and managing director at Weiss Peck and Greer Investments (WPG). From 1999 to August, 2005, Mr. Maheshwari was a Portfolio Manager and Managing Director at WPG (and its successor parent company Robeco Investment Management). At WPG, he built and managed a $500 million (approximately) Risk Arbitrage and Special Situations/Event Driven hedge fund. In addition, at WPG and its parent company, Robeco Investment Management, he was involved in many aspects of investment management, including asset allocation, identifying new investment strategies, and overall investment management strategy. From 1996 to 1999, Mr. Maheshwari was a Vice President of Research at Robert Fleming, Inc., where he helped run a $250 million (approximately) equity arbitrage portfolio.

Mr. Maheshwari holds a Bachelor of Science degree in Mathematics
and Computer Sciences from the State University
of New York at Albany and an MBA from New York University. Mr. Maheshwari has considerable investing experience, as well as expertise in identifying and closing value enhancing strategic transactions and in reviewing financial statements and capital allocation.

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The New Signature Slate
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Clifford D. Nastas
A New Vision for SGGH
THE NEW SIGNATURE BOARD SLATE
Chief Executive Officer and a member of the Board of Directors of Material Sciences Corporation (MSC), a leading global provider of material based solutions for the automotive, electronics, appliance and construction industries, serving in those capacities since December 1, 2005. Mr. Nastas served as President and Chief Operating Officer of MSC from June 2005 to December 2005, and as Executive Vice President and Chief Operating Officer from October 2004 through June 2005. Prior to that time, he held numerous executive positions with MSC from

January 2001 to October 2004. Mr. Nastas served as the Global Automotive Business Director for Honeywell International Inc., a technology and manufacturing provider of aerospace products, control technologies, automotive products, specialty chemicals and advanced materials, from 1995 until he joined MSC in January 2001.

Mr. Nastas served as an independent member of the Board of Directors of Quixote Corporation and sat on its Audit Committee from 2009 until the company was sold in March 2010.

Mr. Nastas earned a Bachelor of Science degree in Chemical Engineering from Wayne State University and an MBA from Case Western University. Mr. Nastas has significant and successful senior management experience and a wealth of public company board service experience.

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