

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

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 Pursuant to §240.14a-12

Signature Group Holdings, Inc.

Edgar Filing: SIGNATURE GROUP HOLDINGS, INC. - Form DFAN14A

(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):

- 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:

Edgar Filing: SIGNATURE GROUP HOLDINGS, INC. - Form DFAN14A

- .. 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 SGH

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

*

*

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

*

*

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

*

*

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 SGH

21

*
*
*
*
*

Appendix

*

The New Signature Slate

23

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

24

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.

*

*

The New Signature Slate

25

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

THE NEW SIGNATURE BOARD SLATE

*
*

The New Signature Slate

26

Raj Maheshwari

A

New

Vision

for

SGGH

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 and 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.

*

*

The New Signature Slate

27

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.

*

*