

PSE ACQUISITIONS, LLC

TARGET TEASER

| | |
|----------------------|---------------------------------------|
| Capital Requirement: | \$25 million |
| Investment Vehicle: | SPV |
| Investment Type: | Common Stock |
| Investment Objective | Acquire ~10% of target's common stock |
| Time Horizon: | 12-36 months |
| Fee Terms | 1% + 20%* |

* If returns are greater than 100% in a fiscal year, the incentive allocation increases by 10% to 30%.

Transitory regulatory problems have peaked; the stock and industry are poised to revert to more normal valuations. Price target is greater than 5 x current price.



Target Profile

| | | | |
|---------------------|-------------------|-------------------|--------|
| Sector: | Consumer services | EV/EBITDA: | < 3 |
| Enterprise value: | <\$200 million | Price/book: | < 0.25 |
| Revenue: | > \$1 billion | Price/replacement | 0.16 |
| Financial leverage: | Low | | |

Comparable Companies Analysis

| Company | *EV/EBITDA LTM | †EV/EBITDA (Norm. Period) |
|-------------------|----------------|---------------------------|
| Target | < 3.0 | 10-14 |
| Comparable Co. 1 | 8.0 | 10.5 |
| Comparable Co. 2 | 6.4 | 18.2 |
| ... | ... | ... |
| Comparable Co. 10 | 7.7 | 14.7 |
| Comparable Co. 12 | 3.7 | 13.9 |
| Average | 6.0 | 12.8 |

*Financials are calendarized and normalized. Fully diluted shares are calculated using TSM.
 †EV and unadjusted EBITDA are from FY2005 to FY2008.

Target Summary:

The Target is a leader in an industry that is crucial to our economy but has been the focus of regulators along with its peers. We believe that most of the regulatory headwinds are temporary, and the continued expansion of valuation multiples within the industry is expected. We anticipate the Target will follow many of its peers by beginning to revert to a more normal valuation. The only congressional bill recently introduced with provisions intended to inhibit aspects of the industry’s business model was ‘dead-on-arrival’ and we believe no further legislative attempts, if any, will be successful.

The stock prices of many of the Target’s peers have increased several fold off their lows as an end to the government attacks have come into sight. However, the Target has lagged behind and trades at less than 3 x EBITDA while its peers trade at over 6 x EBITDA. The Target has received greater regulatory scrutiny than most of its peers. After a careful review of the Target and industry, we believe that relatively all the bad news is out and we are at an inflection point where the Target begins to return to a more normal valuation level.

Investment Objective:

We seek to raise \$25 million from investors to acquire a substantial position in the Target. We will utilize proven strategies to maximize our investor’s returns, including activism. It is our belief that as valuations normalize and the government’s scrutiny lessens, the Target should generate a 500-1000% return over the next 12-36 months. The investment managers are leading turnaround activists and have successfully targeted companies with similar profiles in order to unlock shareholder value.

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Manager's selected positions disclosed October, 2013

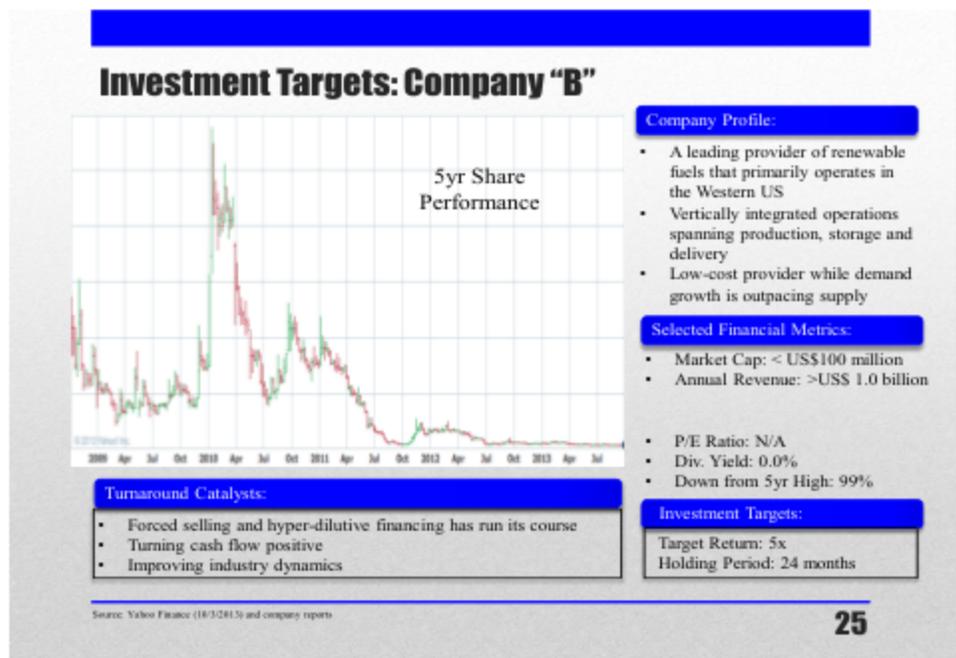
YRC Worldwide Inc. (YRCW US)

Return since Oct. 2013: 55%+



Pacific Ethanol, Inc. (PEIX US)

Return since Oct. 2013: 350%+



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Manager's selected positions disclosed October, 2013

DHT Holdings, Inc. (DHT US)
Return since Oct. 2013: 100%+

Investment Targets: Company "C"



Company Profile:

- A leading provider of marine transportation services
- Listed on NYSE
- The company has operations around the world

Selected Financial Metrics:

- Market Cap: < US\$100 million
- Annual Revenue: > US\$100 million
- Asset Value: > US\$550 million
- P/E Ratio: N/A
- Div. Yield: 0.0%
- Down from 5yr High: 95%

Turnaround Catalysts:

- Highly leveraged to global economic growth
- Improving industry dynamics
- Return to positive cash flow

Investment Targets:

- Target Return: 5x
- Holding Period: 24 months

Source: Yahoo Finance (30/3/2013) and company reports

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Oclaro, Inc. (OCLR US)
Return since Oct. 2013: 90%+

Investment Targets: Company "E"



Company Profile:

- Designs and manufactures optical components, lasers and communications equipment
- The company's products span both the industrial and consumer markets worldwide.
- Its products are used in a wide array of applications including bio/medical imaging, robotics, laser printing and telecom networks

Selected Financial Metrics:

- Market Cap: > US\$200 million
- Annual Revenue: > US\$500 million
- P/E Ratio: N/A
- Div. Yield: 0.0%
- Down from 5yr High: 90%

Turnaround Catalysts:

- Turning cash flow positive
- Rollout of new products
- Market opportunities

Investment Targets:

- Target Return: 10x
- Holding Period: 36 months

Source: Yahoo Finance (30/3/2013) and company reports

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Bruce R. Galloway
Managing Member

Mr. Galloway is a leading turnaround activist and a small/micro-cap deep value investor. He has generated annual returns in excess of 20% for the past 15 years. As the founder and managing director of the Galloway Capital Division at Burnham Securities from 1994 to 2005, he managed up to \$100 million in assets and developed the Strategic Turnaround Equity Program (STEP) model for analyzing distressed companies based on the Altman Z-score. He served as Chairman of the Equity Committee of Seitel, Inc.'s bankruptcy proceedings where he executed the recapitalization that resulted in a 1500% return to the equity holders. Mr. Galloway was the Managing Member of Galloway Capital Management, LLC, which was focused on undervalued publicly traded equities. He has held seats on the boards of Arthur Treachers, Inc., [REDACTED], Inc., Digital Creative Development Corporation, Datametrics Corp., Forward Industries, Inc., Miami Subs, Inc., United American Healthcare Corporation and GVI Security, Inc., as well as serving as co-chairman of Command Security Corporation. Mr. Galloway held various positions at Rausher Pierce & Refsnes, Inc., Morgan Keegan & Co., L.F. Rothschild & Co. and Oppenheimer, Inc. Mr. Galloway holds a B.A. in Economics from Hobart College and an MBA in Finance from New York University's Stern Graduate School of Business.

Gary L. Herman
Managing Member

Mr. Herman is a co-founder and a Managing Member of the Investment Manager. From 2005 to the present has managed several investment funds primarily focused on deep value investments. From 1997 to 2002 Mr. Herman was an Associate Managing Director with Burnham Securities, Inc., Prior to joining Burnham, he was the Managing Partner of Kingshill Group, Inc., a merchant banking and financial firm with offices in New York and Tokyo. Mr. Herman has a B.S. from the State University of New York at Albany. Mr. Herman has sat on the boards of many companies including Digital Creative Development Corp. (Chairman), International Microcomputer Software, Inc., DataMetrics Corporation, Shells Seafood Restaurants, Inc., and Miami Subs Capital Partners, Inc. In addition, Mr. Herman was a member of the board of the University at Albany Foundation and a former board member of the New York City Industrial Development Agency, to which he was appointed by the former Mayor of New York City, Rudolph Giuliani.