

Company Y – Carpe Diem

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When the markets crash and you have a plan, you will make a lot of money. Below is my plan; if you wish to explore this idea with the group I'm putting together, email me - accredited investors only.

COMPANY

Company Y is a services company that has failed to generate meaningful sales traction in the market beyond two major customers. Currently, it is trading at less than 0.7x tangible asset value; however, if you include the value of the Company's NOLs and patents, there is \$75MM or more that can be made by tendering for the entire company. **This window of opportunity will not last.**

INVESTMENT BULLETS

- Company started nearly 10 years ago and has raised over \$300MM since its founding.
- Company is operating near breakeven / cash flow neutral; long sales cycles and customer inertia have forced the Company to streamline its costs and broaden its service offering to attract new customers. They are in the early stages of this transition.
- Service offering is unique and patented; growth potential in N. America and internationally.
- Capital structure is clean; single share class and one convert outstanding (approx. \$50MM).
- There are no immediate liquidity concerns.
- Management isn't overpaying themselves or diluting the Company.
- Over 35% of the shares outstanding are held by current or former insiders.
- Minimal (or zero) CapEx needs going forward (growth or maintenance).
- Activist recently took a 5% stake with Board representation.
- Big 4 auditor.

THE NUMBERS

- Equipment is worth \$200MM per a recent independent audit.
- NOLs of approximately \$250MM expire in 15 years.
- EV = Less than \$150MM; big enough to be meaningful, but small enough to be overlooked by traditional investors and potential acquirers.
- Ascribing no value to their customer relationships, data, operations or intellectual property – and only \$25MM of value to their NOLs – implies a return opportunity of over \$75MM.

It's nice being back. **Now it's time to seize the day.**