

SIGNATURE GROUP HOLDINGS, INC.  
Form DEFA14A  
June 28, 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:

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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:
  
  
  
  
  
  
  
  
  
  
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3. Filing Party:
  
  
  
  
  
  
  
  
  
  
4. Date Filed:



Investor Presentation  
July 2012

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.

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## OVERVIEW

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Signature Group Holdings, Inc.

Reorganization

On June 11, 2010, Fremont General Corporation ( Fremont ) emerged from bankruptcy and was renamed Signature Group Holdings, Inc.

Facilities



Headquartered in Sherman Oaks, CA

Corporate development office in New York, NY

Ticker

SGGH, traded on OTCQX

Cash and Cash

Equivalents

\$52.8 million

(1)

Total Assets

\$139.2 million

(1)

NOLs

Shareholders

Equity

\$63.3 million

(1)

Shares Outstanding

119,931,857 as of May 11, 2012

(1) Information provided as of March 31, 2012

\$889.9 million as of 12/31/2011    Expire beginning in 2027 (Federal)

**MISSION STATEMENT**

To maximize long-term shareholder value by redeploying our cash and other assets to leverage our favorable tax position through acquisitions and other special situations opportunities.

4

**SIGNIFICANT PROGRESS SINCE EMERGENCE**

In less than two years we have addressed numerous legacy challenges remaining from the Fremont General Corp. ( Fremont ) bankruptcy which include:

Became  
current  
with  
our

periodic  
reporting  
requirements  
under  
the  
Securities  
Exchange  
Act  
of  
1934  
as  
amended,  
which  
included  
preparing  
five  
years  
of  
audited  
financial  
statements,  
bringing  
the  
Company  
current from its last audit in 2006

Remediation included the preparation and filing of three Annual Reports on Form 10-K and eight  
Quarterly Reports on Form 10-Q  
Resolved in excess of 200 legal proceedings associated with Fremont and its subsidiaries  
Implemented value maximizing strategies for the residential loan portfolio and other legacy assets,  
including significant divestitures  
Reduced staffing and expenses associated with the Fremont legacy operations  
Rebuilt an experienced accounting and finance team and made significant progress in remediating the  
Company's  
Material  
Weakness  
in  
internal  
control  
surrounding  
financial  
reporting  
Reduced quarterly net operating losses by 89% from June 2010 to March 2012

QUARTERLY NET INCOME (LOSS) AND EPS

6

Company Emerged from Bankruptcy, June 2010

89% reduction in

Quarterly Net Loss

since emergence

from bankruptcy

Made significant progress towards sustained profitability since emergence from bankruptcy

#### BUSINESS PLAN

Our Board and Management have provided a new direction for the organization

Signature is now a diversified business and financial services enterprise whose primary objective is to redeploy assets into successful businesses and utilize our net operating loss carryforwards ( NOLs )

Actively seeking acquisition opportunities of successful companies

North American Breaker Company, Inc. ( NABCO ) acquired July 2011

Cosmed Inc. formed in February 2011 to acquire the assets of Costru, LLC  
SEC compliance allows the Company to be in a position to access the broader  
capital markets and potentially complete a large acquisition

Acquire and originate debt opportunities through Signature Special Situations division

Ultimately

position

the

Company

to

take

advantage

of

its

federal

and

state

NOLs

Clean-up and wind-down of Fremont s legacy business currently classified as  
discontinued operations

7



ACQUISITIONS

Target Transactions

EBITDA of \$7 million to \$25 million

Enterprise values up to \$300 million

Equity investments up to \$100 million

Larger investments are achievable

Industry agnostic

Key Acquisition Criteria

Proven and committed management team with the ability to operate autonomously

Market leading or niche oriented

Sustainable business that can be held long term

Low capital expenditures

8

Ideal Situations

Companies that do not have a natural strategic buyer or stand alone IPO potential

Private

equity

or

hedge

fund

holdings

which

need

an

exit

per

LP

requirements

Companies with limited or declining tax deductions

Non-core divisions of larger enterprises

Family businesses seeking to diversify and/or liquify holdings

STRATEGY

9

\*per Pitchbook, \$25MM to \$1B transaction value

With

our

opportunistic

strategy,

we  
believe  
there  
is  
a  
higher  
probability  
of  
purchasing  
deals significantly below average multiples allowing our resources to go further  
NABCO acquired for a multiple significantly below the averages shown  
Sourcing  
proprietary  
deals  
through  
our  
extensive  
relationship  
network  
gives  
us  
opportunities away from costly auction transactions

**NORTH AMERICAN BREAKER COMPANY, INC.**

Wholly owned subsidiary acquired July 29, 2011

Aggregate purchase price consideration of approximately \$36.9 million with a net cash outlay of \$10.9 million after giving effect to a debt financing facility closed in September 2011

High margin distributor of specialty electrical components, primarily circuit breakers, to electrical wholesalers throughout the country

Increased profit and revenues in each of the three years prior to acquisition despite a troubled economic climate:

Gross Margins approaching 40%

Q1 2012 over Q1 2011 sales growth of 14.9%

Minimal capital expenditures

Low risk business model:

Need it now  
product critical for safety

Operates in steady replacement market with low product obsolescence

Strong national market presence with knowledgeable staff

Headquartered in Burbank Calif. With four regional distribution centers

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SIGNATURE SPECIAL SITUATIONS

Target Types

Interest income

Fees

Recovery of discounted principal  
balances

Market value appreciation

Asset Types

Distressed and sub-performing debt

Secured loans

Real estate mortgages

Corporate bonds

Tranche B loans

Public and private debt

Annuity streams

11

Philosophy and Strategy

Provides alternatives that generate favorable risk adjusted financial returns over holding virtually zero return cash and helps to defray expense burn while the Company engages in its acquisition strategy

Positions are frequently purchased at a discount

Maintain focus on managing downside risk and exposure

Residential Loans held for sale transferred to division and reclassified as held for investment



SPECIAL SITUATIONS

PORTFOLIO TRANSACTION

March 2011 Signature Special Situations purchased a revolving line of credit and a term loan from a national lender at a significant discount (50% of par)

Borrower is a manufacturer of store fixtures and merchandising systems for the retail industry

March

2012

Signature

restructured

the

debt

as

part

of

a

complete

recapitalization

transaction led by the founder who was the former CEO of the business and several members of his management team

Existing debt was converted to new term and revolving loans and Signature received preferred

equity

shares

in

newly

capitalized

company

with

a

face

value

of

\$2

million

and convertible to 45% of the total outstanding common stock

The debt position has generated greater than a 13.75% effective yield for Signature since our initial purchase through March 2012

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DISCONTINUED OPERATIONS  
LEGACY MATTERS

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Converted a substantial portion of Fremont's legacy assets to cash, including the sales of:

Non-performing residential mortgages for \$12.5 million

Residential real estate properties for \$11.4 million

The former headquarters building for \$3.9 million

Commercial real estate investments for \$4.9 million

Monitor repurchase demands for Fremont's subprime loan originations:

Total  
outstanding  
repurchase  
claims  
of  
approximately  
\$101.7  
million  
(1)

Repurchase reserve of \$8.3 million (1)

No new demands or activity since June 2011

Manage and resolve ongoing and new legacy related litigation:

Resolved over 200 lawsuits inherited from the McIntyre-led legacy businesses of Fremont

Negotiated over \$15 million of savings

(1) As of March 31, 2012

COMPENSATION SUMMARY

Signature  
management  
team  
was  
initially  
employed

by  
a  
3  
rd  
party  
management  
company  
as approved by the bankruptcy court and shareholders  
In  
May  
2011  
after  
receiving  
critical  
negative  
feedback  
from  
McIntyre  
and  
two  
former  
directors regarding the external management structure, the GNCC recommended and the  
Board  
engaged  
a  
highly  
respected  
independent  
3  
rd  
party  
executive  
compensation  
consulting firm to evaluate management structure alternatives:

Ultimately,  
in  
July  
2011,  
the  
Board  
terminated  
the  
3  
rd  
party  
management  
agreement  
and entered into employment agreements with executives

Base  
compensation  
rates  
based  
on  
the  
25  
th  
percentile  
of  
publicly  
traded  
asset

management companies were identified by the firm and adopted by the Board

Equity compensation was issued based on market comparable terms with the largest component being options for better alignment with shareholder interests and value creation

McIntyre's assertion that the warrants purchased under the plan of reorganization are related to compensation is erroneous

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#### CORPORATE GOVERNANCE

Signature's board has been constructed with a mindset toward strong corporate governance

A majority of the board is independent and only independent directors hold positions on the audit committee and the governance, nominating and compensation committee

There are separate Chairman and CEO positions and the Chairman is independent

The



Board  
of  
Directors  
is  
very  
active

-  
in  
2011,  
the  
company  
held  
16  
board  
meetings  
and  
29 committee meetings

The Board and senior management own a significant number of shares aligning the interests with shareholders

Recently, Insiders purchased significant numbers of shares during the first trading window that opened since the bankruptcy, further aligning interests

The additions of Mr. Tinkler and Mr. Colville will further the Company's commitment to strong governance as both have significant senior management experience with public companies

The GNCC evaluated McIntyre's slate and elected to nominate more qualified candidates for the proxy

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**BOARD PROPOSED SLATE**

Signature's proposed slate is composed of highly qualified, proven business leaders with successful experience in mergers and acquisitions, operations, and governance in various industries and diverse roles

The  
proposed  
slate  
reduces

the  
size  
of  
the  
Board  
from  
eight  
members  
to  
five  
which  
is  
expected  
to  
result  
in

improved efficiency and communication while also reducing costs

The board nominated three current members to the slate who have significantly contributed to the many accomplishments the Company has made since emerging from bankruptcy:

Craig  
Noell  
implementation

Ed Lamb

Company to compliance with the SEC's Exchange Act Reporting requirements as well as provided valuable insight to management on a multitude of strategic, governance and operating issues

John  
Koral

has been actively involved in our SEC compliance project and business plan. Mr. Koral previously served on the Official Equity Committee during the bankruptcy.

The  
board  
nominated  
two  
new  
candidates  
who  
are  
or  
represent  
large  
shareholders  
and  
have  
specific  
skills  
and experience to bring to Signature

Philip  
Tinkler

securities offerings. Has successfully worked with other companies to optimize the utilization of their NOLs

Chris  
Colville  
of acquired entities

Messrs. Lamb, Colville and Tinkler have all held senior executive management roles in financial and accounting capacities in \$1+ billion public companies

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,  
our  
CEO,  
oversees  
all  
aspects  
of  
our  
business,  
including  
business  
strategy  
and

, the Chairman of our Audit Committee, has overseen the extensive project to return the  
, the Chairman of the GNCC, a member of our Audit Committee and a significant shareholder  
, significant acquisition experience including structuring, diligence, bank financings, and  
, significant acquisition experience with special emphasis on the operations and integration

OTHER PROXY ITEMS

Proposal 2

-

Increase  
the  
authorized  
number

of  
shares  
of  
common  
stock  
of  
the  
Company

Currently have 190,000,000 authorized shares, the amendment would increase the amount to 350,000,000

Intended to give the company the ability to execute a large transaction whereby the shares could be utilized for full or partial purchase price consideration

The amended amount is the maximum number of shares Signature could issue taking the change of control limitations into consideration so as not to jeopardize the NOLs

New shares can also be used in a non dilutive rights offering to raise equity capital for a large transaction or a series of transactions

If shares are not available, a seller may be discouraged from entering into a transaction  
Proposal 3

-

Increase the authorized number of shares of common stock reserved for issuance under the Amended and Restated 2006 Performance Incentive Plan

Currently have 9,633,105 reserved for issuance, the amendment would increase the amount to 25,000,000

Will allow Signature to issue shares to the management of acquired firms

Intended to provide equity incentives to a broad base of employees, officers, directors, consultants, and independent contractors to align long term interests with the Company

Share  
awards  
issued  
out  
of  
this  
plan  
will  
avoid  
triggering  
the  
ratchet  
provision  
of  
the

warrants  
which is in the best interest of the shareholders  
Proposal  
4  
and  
5

Ratify  
the  
independent  
accountants  
and  
adjourn  
meeting  
for  
insufficient  
votes  
17

MCINTYRE CAMPAIGN

James McIntyre is the former Chairman and Chief Executive Officer of Fremont

Seeking to replace entire board, threatens to reverse the progress made since emerging from bankruptcy

Subjecting Company to costly and disruptive proxy fight



We believe McIntyre is attempting to mislead stockholders regarding the root causes of the Company's legacy issues which stem from McIntyre's prior leadership of Fremont

Leadership nearly destroyed Company during his tenure, while he extracted outsized compensation

Leaves a legacy of failed businesses and poor decisions

No tangible business plan for Company

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FAIR GAME

When Regulators Knock Twice

By GRETCHEN MORGENSON

Published: March 18, 2007

The company's management certainly has experience exiting a business at the request of regulators. In 2000, many of the same executives were on hand when Fremont's workers' compensation insurance unit was placed under the supervision of the California Department of Insurance. Looking back at that debacle shows striking parallels between Fremont's troubles in insurance in the late 1990s and its current subprime woes. In both cases, Fremont used questionable practices to generate great revenue growth, benefiting executives. Shareholders were left holding the bag. In other words, same plot, different decade

#### MCINTYRE'S RECORD

Significant operating losses and stock declines

During the last two years of his stewardship, Fremont recorded net losses of \$202.3 million and \$1.0 billion in fiscal 2006 and fiscal 2007, respectively

Company's stock price of \$29.25 per share peaked in March 2004 and declined to \$3.01 per share

on the date of McIntyre's resignation from the Board in January 2008

Decline of 89% for a total loss in stockholder value of nearly \$2.0 billion for the period from March 2004 to January 2008

Runaway compensation

From  
1998  
through  
2003,  
during  
McIntyre's

tenure  
as  
CEO,  
he  
received  
an  
aggregate  
of  
\$25.9

million in compensation, which amount includes \$4.8 million in salary, \$3.3 million in bonus, \$13.5 million in equity grants and \$4.2 million in other forms of compensation

From  
2004  
through  
2007,  
during  
McIntyre's

tenure  
as  
Chairman  
of  
Fremont,  
he  
received  
an

aggregate of \$22.4 million in compensation, which amount includes \$3.1 million in salary, \$1.2 million in bonus, \$8.9 million in equity grants and \$8.9 million

in  
other  
forms  
of  
compensation  
Self interested

Filed  
a  
\$4  
million  
bankruptcy  
proof  
of  
claim  
which  
sought,  
among  
other  
things,  
more  
than

\$700,000 in compensation for 2008. McIntyre resigned from the Company on January 8, 2008. So he was seeking about \$100,000 per day (including weekends) for his work during 2008

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MCINTYRE S RECORD

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\* Per SEC filings

#### MCINTYRE S RECORD

##### Run-Ins with Regulators

##### Fremont Investment & Loan:

In 2007, the bank consented to enter into a Cease and Desist Order with the Federal Deposit Insurance Corporation ( FDIC ) and a Final Order with the California Department of Financial Institutions ( DFI ), finding that FIL operated without effective risk

management policies and procedures and without adequate loan underwriting criteria and required a variety of changes, including a mandate to retain qualified management acceptable to the FDIC and DFI

Fremont Life Insurance Company:

In 1996, the California Attorney General sued both Fremont General and Fremont Life Insurance Company alleging that they engaged in unfair business practices in the sale of more than \$200 million in annuities to senior citizens, which resulted in millions of dollars in civil fines and penalties and other costs to the Company  
Failed Mergers and Acquisitions

Fremont Indemnity Company:

From 1995 to 1998, Fremont Indemnity acquired 3 workers compensation companies for an aggregate purchase price of \$810 million. By 2000, the combined companies were placed under enhanced regulatory oversight; ultimately the California Insurance Commissioner seized them in 2003. Fremont wrote off approximately \$120.0 million on account of these failed acquisitions

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MCINTYRE S RECORD

On August 26

th

2010 Mr. McIntyre was interviewed by the Financial Crisis Inquiry Commission in Washington D.C. An excerpt from his recorded call includes:

Investigator:

So then what happened after 2004?



McIntyre:

Well,

I

can't

answer

that

question

exactly

because

I

like

I

said

was

on the periphery of anything that happened and things were going

along

well

as

far

as

I

was

I

could

see

or

as

far

as

I

understand

and

then things sort of imploded there in 2007 and so.

Investigator:

Right.

McIntyre:

So I just don't have an answer for that.

Investigator:

I mean you were the Chairman of the Board, right?

McIntyre:

Yeah, but that was more of a titular thing. I didn't, I wasn't involved in

management or I wasn't involved in policy making. I wasn't on the

executive committee. I wasn't even on the board or officer of the thrift,

which

was

the

primary

business

during

that

period  
of  
time.

So

I

can't

say that, you know, anything precise about that period of time because I can't recall having a phone call or e-mail or meeting with any of the directors, outside directors, during that period of time. They all dealt with the CEO and COO at the time so I'm just, I'm not trying to, I just don't know a lot about that period of time, that's all.

McIntyre

collected

\$22.4

million

from

2004

to

2007

as

a

titular

Chairman

22

CONCLUSION

Signature s  
Board  
has  
assembled  
a  
very

strong  
and  
highly  
experienced  
five  
member  
slate  
The  
Board  
and  
management  
have  
successfully  
navigated  
the  
Company  
through a

challenging post-bankruptcy phase of the business plan and accomplished much:

Current with its SEC reporting obligations and timely with its filings

Resolved hundreds of legal cases with favorable results

Reduced quarterly net operating losses by 89% from June 2010 to March 2012

Made one material acquisition in 2011, NABCO, and is actively seeking additional deals

Hired an effective team that is committed to the success of Signature

Established comprehensive corporate governance

The Company is strategically positioned to achieve our Mission Statement described on slide 4

McIntyre was a disruptive force at Fremont and has no credible business plan for the Company

We urge stockholders to vote FOR  
your boards recommended slate and FOR  
each of

the other four proposals listed on the **White Proxy Card**

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SIGNATURE S PROPOSED BOARD

G.  
Christopher  
Colville  
(54):  
Since  
2007,

Mr.  
Colville  
has  
served  
as  
a  
strategic  
advisor  
to  
various  
privately  
held

enterprises, including, since 2008, KEG 1, LLC, a special purpose acquisition entity focused on consolidating segments of the wholesale beer distribution industry. In connection therewith, Mr. Colville's principal role is to advise and counsel on capital structures, including negotiation of bank credit facilities, corporate governance and organizational development. Prior thereto, Mr. Colville served as an executive officer of Consolidated Graphics, Inc. (NYSE: CGX), the largest general commercial printing company in North America, from 1994 to 2000 and from 2002 to 2007. From 2000 to 2002, Mr. Colville served as Managing Director at Murphy Noell Capital, LLC, an investment banking firm. Mr. Colville holds Bachelor of Business Administration and Masters in Accounting degrees from Texas Tech University and is a Certified Public Accountant.

Philip  
G.  
Tinkler  
(47):  
Mr.  
Tinkler  
is  
the  
Chief  
Operating  
and  
Financial  
Officer  
at  
Equity  
Group  
Investments  
( EGI ).

Mr.  
Tinkler has served in various leadership capacities for EGI and its affiliates since 1990. In his role at EGI, he works closely with the investment team on structuring, diligence, bank financings, and securities offerings. Since 2009 he has also been Chief Financial Officer for Chai Trust Company, LLC, an Illinois registered trust company that is trustee for many of the Zell family trusts. Mr. Tinkler oversees EGI's financial services group, which houses EGI's accounting, treasury, and tax functions. He also serves as Chief Operating Officer, managing EGI's human resources, administration and facilities functions. From 2003 to 2004, Mr. Tinkler worked at the company that is known today as Covanta Holding Corporation (NYSE: CVA), an internationally recognized owner of energy-from-waste and power generation projects. During his tenure there, Mr. Tinkler served as Chief Financial Officer while the company's predecessor, Danielson, purchased Covanta, emerged from bankruptcy, and underwent an integration. He also served on the board of directors of Covanta's wholly-owned California-based insurance subsidiary. Earlier in his career, Mr. Tinkler served as the Chief

Executive Officer and Chief Financial Officer at First Capital Financial, L.L.C., and the Managing General Partner of the First Capital real estate funds. He began his career at Ernst & Young. He is currently on the board of directors of Home Products International, a global consumer products company specializing in the design and marketing of innovative house wares products. Mr. Tinkler also serves on the board of directors of WRS Holdings Company, an environmental construction and remediation company, which is one of EGI's investments. He holds a Bachelor of Science degree from Northern Illinois University and a Masters of Science in Taxation from DePaul University.

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SIGNATURE S PROPOSED BOARD

Patrick

E.

Lamb

(52):

Mr.

Lamb

currently  
serves  
as  
a  
Director  
of  
Signature  
and  
is  
the  
Chairman  
of  
the  
Audit

Committee. Mr. Lamb has served as the Chief Financial Officer for the Los Angeles Clippers of the NBA since July 2007.

Mr. Lamb has over 20 years of chief financial officer experience

in various public and public subsidiary entities,

specifically

in  
the  
financial  
services  
arena,  
including  
banking,  
commercial  
finance,  
commercial  
and  
residential  
real

estate, capital markets and insurance, as well as experience in public accounting. From 2004 to July 2007, Mr. Lamb served as the Senior Vice President, Treasurer, Chief Financial Officer and Chief Accounting Officer of Fremont General Corporation ( Fremont ). Before joining Fremont, Mr. Lamb worked at Ernst & Whinney (now Ernst & Young) in San Francisco, serving primarily in the financial services industries in various audit and consulting engagements. Mr. Lamb holds Bachelor of Science and Masters in Accounting degrees from

the Marriott School of Management at Brigham

Young University.

John

Koral

(53):

Mr.

Koral

currently

serves

as

a

Director

of

Signature

and  
is  
also  
the  
Chairman  
of  
the  
Governance,  
Nominating, and Compensation Committee and a member of the Audit  
Committee. Mr. Koral has been an active  
investor in asset-based loans for the past eighteen years. Mr. Koral is a Senior Vice President responsible for managing  
the lending operations of U.S. Capital, Incorporated, an asset-based private lender with a current loan portfolio of  
approximately \$30 million. In that capacity, Mr. Koral is actively involved in resolving borrower defaults and overseeing  
related legal proceedings in default scenarios. Mr. Koral also participates in all of the firm's efforts to raise capital,  
including private participations, general capitalization, subordinated notes and institutional lines of credit. Mr. Koral is  
also involved in the development of commercial land and building  
projects, having overseen more than \$100 million in  
construction since 1982. Previously, Mr. Koral served as President of Apex Mechanical Services. Mr. Koral holds an  
Associate's Degree in Mechanical Engineering from Alfred State University with a minor in Business Administration.

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SIGNATURE S PROPOSED BOARD

Craig  
Noell  
(49):  
Mr.  
Noell  
is

Chief  
Executive  
Officer  
and  
a  
Director  
of  
Signature  
and  
is  
also  
a  
member  
of  
the

Executive, Legal and Risk Management Committee. Mr. Noell co-founded Signature Capital Partners, a special situation investment firm in 2004. Mr. Noell brings to Signature over 25 years of experience in corporate finance, investment banking, and special situation investing with Goldman Sachs, Wells Fargo Foothill, Security Pacific, Barclays and Murphy Noell Capital. At Murphy Noell Capital, Mr. Noell was involved in dozens of corporate finance transactions including traditional M&A, distressed M&A, capital raises, recapitalizations and restructurings. Previously, as a member of the distressed investing area at Goldman Sachs, Mr. Noell founded and ran Goldman Sachs Specialty Lending, investing Goldman's proprietary capital in special situations opportunities. At Wells Fargo Foothill, Mr. Noell directed the firm's New York and Los Angeles business development teams and was involved in numerous recapitalizations/restructurings, debtor-in-possession loans and plan of reorganization financings. Mr. Noell was also involved in establishing multiple joint venture relationships including the acquisition of the loan portfolio of Home Savings of Alaska from the FSLIC, a joint venture with Ansley Associates to provide specialized financing to the resort industry and a joint venture relationship with Ozer to form Paragon Retail Finance, which was subsequently acquired by Wells Fargo and is now the second largest asset-based lender to the retail trade. Mr. Noell holds a Bachelor of Science from the Wharton School of Business at the University of Pennsylvania.

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