

RESTRUCTURING

RENEWAL

RESULTS





Established in 1974, Regent Pacific Management Corporation®  
is a global firm specializing in the restructuring, recovery, and renewal  
of underperforming companies.

*We are seasoned, results-oriented operational professionals  
who take hands-on responsibility, authority, and accountability for assessing  
troubled companies, formulating a plan of action, and executing that plan to  
protect our client fiduciaries and produce the maximum value  
for all parties of economic interest.*

Regent Pacific Management Corporation operates worldwide  
from its headquarters in San Francisco, its New York office, and its  
U.K. representative office in London. Regent Pacific Management  
Europe is headquartered in The Hague.



*“Regent Pacific brought focus to Verity. The Regent Pacific team gave us precise operating metrics and a new business model. As a result, our software company has moved from last to first in its market, with a commanding market share. Shareholder equity grew from \$38 MM to \$700 MM. Without Regent Pacific, Verity would no longer exist.”*

Anthony J. Bettencourt, III  
President and CEO  
Verity Inc.

## It’s Much Later Than You Think

For a company in distress, the decision to ask for help from outside the organization is always the most difficult step that executives in leadership and corporate governance positions must take. Too many organizations are late to recognize the warning signs. They may view the problem as simply a need to work harder, but in reality, something much more drastic must be done just to survive.

Retaining the services of experienced corporate recovery professionals can be an uncomfortable concept. Optimism, pride, and denial often delay the time-critical decision-making process. There is a natural reluctance to yield control to someone from the “outside.”

## Achieving a Precise Balance

In addition to the emotional turmoil, there is a complex and precise balance that must be achieved among a wide range of constituents, regulations, and other variables. Shareholders, incumbent management, employees, investors, creditors, lenders, and tangible and intellectual property must be considered in the equation.

Underlying all of these concerns is the issue of liability. Being ultimately responsible for a failing organization is more than just an awkward situation or a matter of ego. Today’s climate of corporate transparency and accountability makes personal risk a tangible reality.

Leaders of struggling companies worldwide must understand that an early response is almost always the key to a successful turnaround.



# Protecting and Preserving Value

Regent Pacific Management Corporation is a global firm specializing in the restructuring, recovery, and renewal of underperforming companies. Since its founding in 1974, Regent Pacific has consistently demonstrated its ability to swiftly and accurately analyze companies in trouble, evaluate business strategy alternatives, and develop and implement no-nonsense solutions that maximize value for all parties of economic interest.

The firm's record of success is based on a rapid-response, hands-on, operational team approach, and its unique insight into the complex operational, financial, legal, and ethical issues faced by companies in trouble. Regent Pacific responds with deliberate speed and dispassionate precision.

## International Tenured Teams



Regent Pacific's corporate restructuring and renewal teams consist of senior-level executives, averaging more than 27 years of operational business experience in crisis and recovery situations. Teams support the disciplines of general management, operations, finance, accounting, sales, merchandising, marketing, engineering, manufacturing, and store operations. Adjunct staff, affiliates, and other specialists stand ready with unique domain expertise to meet the needs of other complex business operations.

With the global nature of business today, the firm recognizes the grand and subtle differences related to the laws, financial issues, and cultures of sovereign nations in dealing with cross-border opportunities. Regent Pacific's international presence and diversity allow the firm to function in full accordance with, and grateful appreciation of, local interests. The ability to integrate and, if necessary, separate business issues based on location is an unmatched strength of Regent Pacific.

Regent Pacific Management Corporation operates worldwide from its headquarters in San Francisco, its New York office, and its U.K. representative office in London.

Regent Pacific Management Europe is headquartered in The Hague.

# Powerful Assessments and Tools

Regardless of the reasons companies may have engaged Regent Pacific, there is a consistent and fundamental value proposition the firm provides all its clients. It starts with the Regent Pacific Situation Analysis Method (SAM), an impartial and penetrating assessment of the ailing organization that uses proven analytical tools and a commonsense approach.

SAM includes an in-depth evaluation and analysis of an organization and its customers, products, and services. It also provides a critical evaluation of business performance across a broad set of fundamental, industry-specific metrics.

Using a thorough yet time-sensitive process, the Regent Pacific team examines pertinent documents and conducts interviews to understand the client company's history and core business. The team evaluates alternative courses of action to determine what *could* be done. And, most importantly, the team makes detailed and concise recommendations for what *should* be done, complete with required contingencies. From these recommendations, an operating plan can be developed and executed by Regent Pacific to implement positive change in a realistic timeframe, protect assets and individuals, and maximize the value of the enterprise.

The right leadership is critical to successful change management. To help evaluate the effectiveness of incumbent executive team members, Regent Pacific offers the Competency Profiler (CP), a quantitative and qualitative tool that will systematically, and in a non-threatening way, measure predictors of effectiveness and success across multiple leadership dimensions. If executive change is needed, Regent Pacific also uses its Targeted Development Planning (TDP) tool. The TDP "fast tracks" critical knowledge transfer and improves leadership effectiveness.

Depending on the industry and organization being served, Regent Pacific's approach incorporates other important tools. For example Regent Pacific's Retail Team utilizes several highly specialized tools, including:

- Glaser Retail Economic Model (GREM)
- Inventory Receipt Flow Planning Tool
- Market Insite Group, Inc. (MIG) Analytics Tool



# Global Services and Solutions

Regent Pacific's award-winning services include:

- International Corporate Renewal and Turnaround Management
- Crisis and Interim Management
- Statutory and Non-statutory Reorganizations
- Corporate Governance and Restructuring Advisory Services
- Litigation Support and Expert Testimony
- Forensic and Investigative Accounting

## International Corporate Renewal and Turnaround Management

Regent Pacific provides a broad spectrum of hands-on management and advisory services, including financial and operational solutions that serve as the foundation for long-term corporate success.

Services include:

- Business Review and Situation Analysis
- Rapid Development and Implementation of Practical Solutions to Enhance Corporate Performance
- Business Strategy Redirection
- Corporate and Operational Restructuring
- Financial Containment
- Turnaround Strategy Implementation

*“Regent Pacific looks to the future – not the past – and holds everyone to the highest possible ethical and legal standards. They understood and provided guidance on proper corporate governance long before it became a popular buzzword. We’ve used the firm multiple times before and we will again – without hesitation.”*

Steven M. Krausz

General Partner

U. S. Venture Partners

## Crisis and Interim Management

Regent Pacific's rapid-response approach to protecting investor value includes the ability to manage an immediate crisis and put in place experienced management and operational teams.

Services include:

- Rapid Situation Assessment
- Crisis Management
- Interim Staffing of Key Executive Positions
- Sale of Non-essential Assets and Business Units
- Exit Strategies

## Statutory and Non-statutory Reorganizations

When appropriate and permitted, Regent Pacific teams can implement or assist in reorganization processes, including:

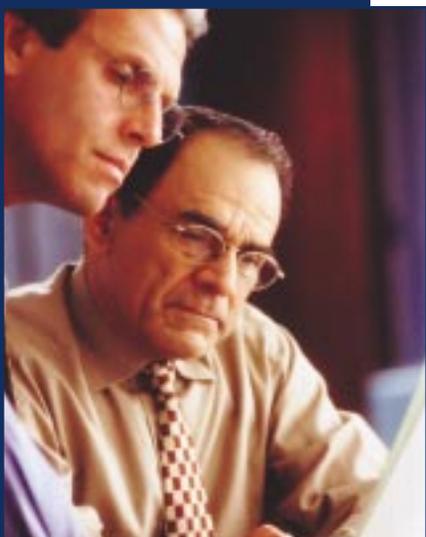
- Bankruptcy/insolvency Management
  - Chapter 11 Reorganization, Section 363(B) Asset Sales, and ABC Method: Assignment for the Benefit of Creditors
- Restructuring, Refinancing, and Capital Formation

Outside the U.S., Regent Pacific provides the following services:

- Court Petitions/non-license Holder Appointments
- Asset Sales/subsidiary Divestitures
- Intellectual Property Realizations
- Creditor Stand-stills/write Downs and Swaps
- Consensual and Voluntary Reorganizations

*"I have worked closely with Regent Pacific for many years and on multiple client engagements. They are extremely capable and especially knowledgeable about the intricacies of the bankruptcy process and of the practical alternatives for out-of-court restructuring and settlement."*

J. Michael Kelly, Partner  
Head of Creditor's Rights and  
Bankruptcy Practice  
Cooley Godward, LLP



# Corporate Governance and Restructuring Advisory Services

The legal, financial, and personal risk associated with corporate governance is a sobering reality for the board and executive management. Decision makers need confidence in knowing their choices are based on solid information and sound legal advice. Regent Pacific principals' business savvy comes from being "in the trenches." Thus, the firm's advisory services are grounded in a real-world understanding of complex operational, financial, legal, and ethical business issues.

Services include:

- Consulting on Corporate Governance and Restructuring Issues
- Advisory Services on Fiduciary Obligations
- Advisory Services on Sale of Business and Asset Divestitures

# Litigation Support and Expert Testimony

Regent Pacific assists corporate counsel and litigators in cases involving business fraud, bankruptcy, fraudulent conveyance, and misappropriation of business assets. The firm provides credible and experienced expert witnesses for assessing whether corporate officers and directors have properly exercised their fiduciary responsibilities. Regent Pacific can also assess whether or not corporate officers have executed their managerial responsibilities relative to accepted "best practices" and standards of care.



Services include:

- Expert Opinions
- Expert Witness Testimony
- Forensic Conclusions



# Forensic and Investigative Accounting

Regent Pacific provides forensic business valuation and forensic accounting services. The firm can use business records to reconstruct the chronology of a business failure and/or a major change in business fortunes.

Services include:

- Financial Analysis
- Business Valuation
- Business Damage Assessment
- Fraudulent Conveyance
- Business Interruption and Loss of Income Calculations
- Errors and Omissions

## The Regent Pacific Difference

In a crisis, turnaround or recovery, there is no such thing as business as usual. Regent Pacific will create and install the tough, but adaptable, processes and systems that are necessary to meet the demands of change.

Regent Pacific has consistently demonstrated unparalleled results with unique, solid strategies and direct operational involvement to fix problems. The firm embraces the challenge and responsibility of making the client company perform, while protecting stakeholder value. The process is not simple or painless, but the results speak for themselves.



# A Wealth of Experience

Regent Pacific's management teams possess the reputation, stature, and expertise to put any organization at ease about seeking outside help. Executive team members have worked together, on average, for more than a decade.

## Board of Directors

Gary J. Sbona  
*Chairman and Chief Executive Officer*  
Regent Pacific Management Corporation  
San Francisco, California

Mark A. Bertelsen, Esq.  
*Partner*  
Wilson, Sonsini, Goodrich & Rosati  
Palo Alto, California

David Folkman  
*Director*  
Regent Pacific Management Corporation  
San Francisco, California

Martin M. Koffel  
*President and Chief Executive Officer*  
URS Corporation  
San Francisco, California

Stephen W. Young  
*Chief Operating Officer*  
*Director and Corporate Treasurer*  
Regent Pacific Management Corporation  
San Francisco, California

## Corporate Officers

Gary J. Sbona  
*Chairman and Chief Executive Officer*

Stephen W. Young  
*Chief Operating Officer*

George W. Macintyre  
*Chief Marketing Officer*

Dennis J. Dunnigan  
*Managing Director*

David Folkman  
*Managing Director*

H. Michael Hogan III, CTP  
*Managing Director*

Joseph B. King  
*Directeur (Europe)*

Richard P. Schmit  
*Directeur (Europe)*

James B. Weil  
*Managing Director*

## Legal Counsel

Wilson, Sonsini, Goodrich & Rosati,  
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Simmons & Simmons  
London

Bryan Cave, LLP  
London

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## Our Mission – Our Name Regent Pacific

*By definition, a Regent is someone who acts on behalf of a person in authority when circumstances make it difficult or impossible for that person to act on his own behalf. Of the nearly sixty synonyms for Regent, the one that comes closest to our mission is “protector.”*

*Pacific means peaceful or making peace. Of the many synonyms for Pacific, “mediatory” best explains our position, as one who interposes between parties at variance for the purpose of reconciling them.*

*Regent Pacific’s name aptly describes what we do,  
and has identified who we are for three decades.*

EXCELLENCE

INTEGRITY

DISCRETION

EXCEPTIONAL RESULTS

*Since 1974*



