

Maxim Group LLC

Investment Banking

Special Purpose Acquisition Company (SPAC)

Overview

Maxim Group Overview












Maxim: A Leader in the Blank Check Market

- **Approximately \$21.3 billion raised for Blank Check Companies in over 156 IPOs for Total Universe**
- **Maxim has been involved in approximately 70% of all Blank Check IPOs completed**
- **Maxim has led or co-managed 30 transactions**
 - Over \$4.0 billion in capital raised to date
- **Maxim has advised on 7 Blank Check acquisitions**
 - Over \$1.4 billion in M&A advisory assignments







Selected Lead Managed Blank Check Offerings

➤ Maxim has raised in excess of \$4 billion in a lead or co-manager position of 30 transactions

| | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Business Combination Company™ "BCC"™</p> <p>United Refining Energy Corp.</p> <p>\$450.0 Million Initial Public Offering Joint Book Runner</p> | <p></p> <p>Seenergy Maritime Corp.</p> <p>\$231.0 Million Initial Public Offering Sole Manager</p> | <p></p> <p>Star Maritime Acquisition Corp.</p> <p>\$188.7 Million Initial Public Offering Sole Book Runner</p> | <p></p> <p>Energy Infrastructure Acquisition Corp.</p> <p>\$209.3 Million Initial Public Offering Sole Book Runner</p> |
| <p></p> <p>Transtech Service Partners</p> <p>\$36.0 Million Initial Public Offering Joint Book Runner</p> | <p></p> <p>Asia Special Situation Acquisition Corp.</p> <p>\$115.0 Million Initial Public Offering Sole Book Runner</p> | <p></p> <p>Dekania Corp.</p> <p>\$97.0 Million Initial Public Offering Joint Book Runner</p> | <p></p> <p>Alpha Security Group Corp.</p> <p>\$60 Million Initial Public Offering Sole Book Runner</p> |
| <p></p> <p>Pinpoint Advanced Corp.</p> <p>\$28.3 Million Initial Public Offering Sole Book Runner</p> | <p>Business Combination Company™ "BCC"™</p> <p>Key Hospitality Acquisition Corp.</p> <p>\$48 Million Initial Public Offering Sole Book Runner</p> | <p></p> <p>Affinity Media International Corp.</p> <p>\$16.5 Million Initial Public Offering Sole Book Runner</p> | |

Blank Check Offerings have been successful in the shipping industry

➤ Maxim has raised nearly \$1 billion in Blank Check Offerings for shipping companies¹

| | | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|  <p>Seenergy Maritime Corp.</p> <p>\$231.0 Million Initial Public Offering Sole Manager</p> |  <p>Energy Infrastructure Acquisition Corp.</p> <p>\$202.5 Million Initial Public Offering Sole Book Runner</p> |  <p>Star Bulk Carriers Corp.⁵</p> <p>\$188.7 Million Initial Public Offering Sole Book Runner</p> |  <p>Oceanaut, Inc.</p> <p>\$150.0 Million Initial Public Offering Co - Manager</p> |
|  <p>Navios Maritime Holdings Inc.²</p> <p>\$171.0 Million Initial Public Offering Underwriter</p> |  <p>FreeSeas Inc.⁴</p> <p>\$7.9 Million Initial Public Offering Underwriter</p> | <p>Rand Logistics Inc.</p> <p>Rand Logistics Inc.³</p> <p>\$24.0 Million Initial Public Offering Underwriter</p> | |

¹ Includes lead managed, co-managed and underwriter positions

² Formerly known as International Shipping Enterprises, Inc.

³ Formerly known as Rand Acquisition Corp.

⁴ Formerly known as Trinity Partners Acquisition Corp.

⁵ Formerly known as Star Maritime Acquisition Corp.

What is a Blank Check Company?

- **Formed by a specialized management team for the purpose of consummating an acquisition in a particular sector or region**

- **Capitalized via an IPO of Units (1 Common & 1 Warrant)**
 - Registered with the SEC & traded on AMEX (over \$50m in Trust) or OTCBB
 - 99% - 100% of IPO proceeds held in Trust

- **Guarantees a minimum liquidation value if no business combination is completed**
 - Downside protection for investors: 99%–100% of proceeds held in Trust (i.e. initial investment)
 - With accrued interest, investor may be protected from loss on initial investment

- **Public shareholders are free to sell their shares or warrants in the open market at anytime**

- **Allows an investor to:**
 - Approve the business combination
 - Reject the business combination and receive liquidation rights to the funds held in trust (plus accrued interest)

Blank Check Company Structure*

- SPAC offerings consist of units comprised of common shares and warrants that are registered with the SEC and trade freely over-the-counter

| | Maxim SPAC Structure \$10.00 Unit | Alternative Structure \$8.00 Unit | SPACTM Structure*** \$6.00 Unit |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------|
| ▪ Composition of Units | <ul style="list-style-type: none"> ▪ 1 common share ▪ 1 warrant ▪ Trade separately | <ul style="list-style-type: none"> ▪ 1 common share ▪ 1 warrant ▪ Trade separately | <ul style="list-style-type: none"> ▪ 1 common share ▪ 2 warrants ▪ Trade separately |
| ▪ Warrant Strike Price | ▪ \$7.00 | ▪ \$6.00 | ▪ \$5.00 |
| ▪ Warrant Exercise Period† | 4 year life from the IPO | 4 year life from the IPO | 4 year life from the IPO |
| ▪ Call Provision | ▪ ≥ \$14.25 for any 20 trading days within a 30 day period | ▪ ≥ \$11.50 for any 20 trading days within a 30 day period | ▪ ≥ \$8.50 for any 20 trading days within a 30 day period |
| ▪ Proceeds Held in Trust | 100%** | ▪ 98.5% | ▪ 98.5% |
| ▪ Conversion Threshold | 35% - 40%** | ▪ 20% - 30% | ▪ 20% |

*This structure may not be indicative of all SPAC structures and is intended for illustrative purposes only

**Assuming 100% of gross proceeds held in trust. The percentage of escrow held in the trust will determine the liquidation value of the shares. The percentage can be anywhere from 80-100%

*** SPAC is a trademarked term for "Special Purpose Acquisition Corporation" which is a common blank check company with certain elements inherent to its structure

What are the Advantages / Risks to the Investor?

- **Access to acquisitions and buy-outs typically restricted to PE funds:**
 - Liquid public security with ability to control exit

 - **Leverage Industry Expertise of Strong Management Team – with Aligned Interests:**
 - Identify and complete an accretive business combination

 - **Other Benefits:**
 - Voting rights to approve or reject business combination
 - Downside protection: 99% – 100% proceeds held in trust + interest participation
-
- **Potential Risks:**
 - No guarantee that an acquisition will be completed
 - Timing & Industry-specific Issues
 - Only common shareholders have rights to escrow balance
 - Common shareholders no longer have rights to escrow after an acquisition is closed
 - Warrants convertible only after an acquisition
 - Warrants worthless if no acquisition - (unless sold in the open market)

What are the Advantages & Risks to the Issuer?

➤ Advantages:

- Low cost of capital
- Heavily discounted equity promote and “market” purchase
- Significant ownership of resulting company
- Management returns in excess of 5x initial capital invested if merger is approved*
- Provides a faster path for private companies to go public
- Acquired company can take a significant portion of the purchase price in cash
- Newly issued equity has the potential “upside”
- Public vehicle allows for much larger transactions than initial capital raised
- Initial cash, debt and stock

➤ Risks:

- Sponsor stands to lose their investment
 - Purchase of “non-participating” units or warrants in a private placement immediately prior to the IPO
- Reputation risk – deal voted down or time elapses
- Lack of acquisition opportunities within the selected vertical
- M&A risks - improper due diligence, contingent liabilities, financial underperformance

* Assumes stock price is at IPO price

Case Study: Star Maritime Acquisition Corp.



Deal Size: \$188.7 million
Offering Type: Initial Public Offering (“IPO”)
Date of Offering: 12/15/2005
Shares Offered: 18.87 million
Maxim Group Role: Sole Book Runner
Symbol: AMEX: SEA (Ticker Subsequently Changed to SBLK)



Deal Size: \$345.2 million plus earn-out
Deal Type: M&A
Date of Announcement: 1/12/2007
Maxim Group Role: M&A advisor



Highlights:

- Sole book runner for Star Maritime’s \$188.7M IPO in 2005
- Subsequently hired as M&A advisor to the Company
- Sourced and evaluated over 30 potential acquisition opportunities
- Advised Star Maritime on its acquisition of 8 dry bulk vessels from TMT Co., Ltd. for \$345.2M
- Structured acquisition and announced deal on January 17, 2007
- Merger closed November 30th, 2007
- Principals include Nobu Su, Petros Pappas, and Akis Tsirigakis

Recent Trends

- **Public or private company sponsorship**
 - United Refining Inc.
 - Excel Maritime (NYSE:EXM)
 - Grubb & Ellis (NYSE:GBE)
 - Cohen & Company
 - Steel Partners

- **Risk investment by sponsor increasing from 98% to 100% held in Trust**

- **Lower up-front fees by Issuer to Underwriter**

- **Commitment from sponsorship to purchase open market shares up to trust levels**

- **Increasing redemption threshold**
 - From 20% to as high as 40%

- **Foreign Private Issuer Status**

- **Movement to larger transactions in excess of \$250 million**

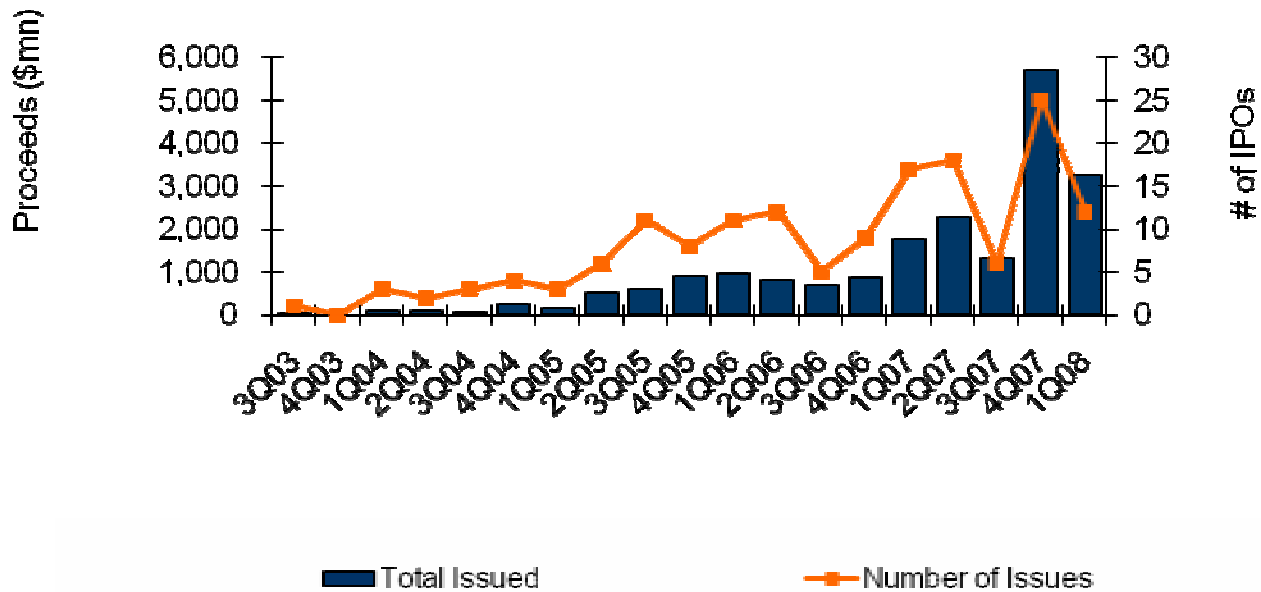
Blank Check Company Transaction Status

| Status | Number | Assets in Trust (millions) |
|-----------------------------------------|--------|----------------------------|
| Completed Initial Business Combination | 48 | \$4,240.89 |
| Seeking Approval – Business Combination | 25 | \$3,018.28 |
| Seeking Mate | 71 | \$13,068.54 |
| Failed – Liquidating/Liquidated Assets | 12 | \$994.94 |

Source: Company Filings, Maxim Group estimates as of March 17th, 2008

Proceeds Raised in Blank Check Offerings

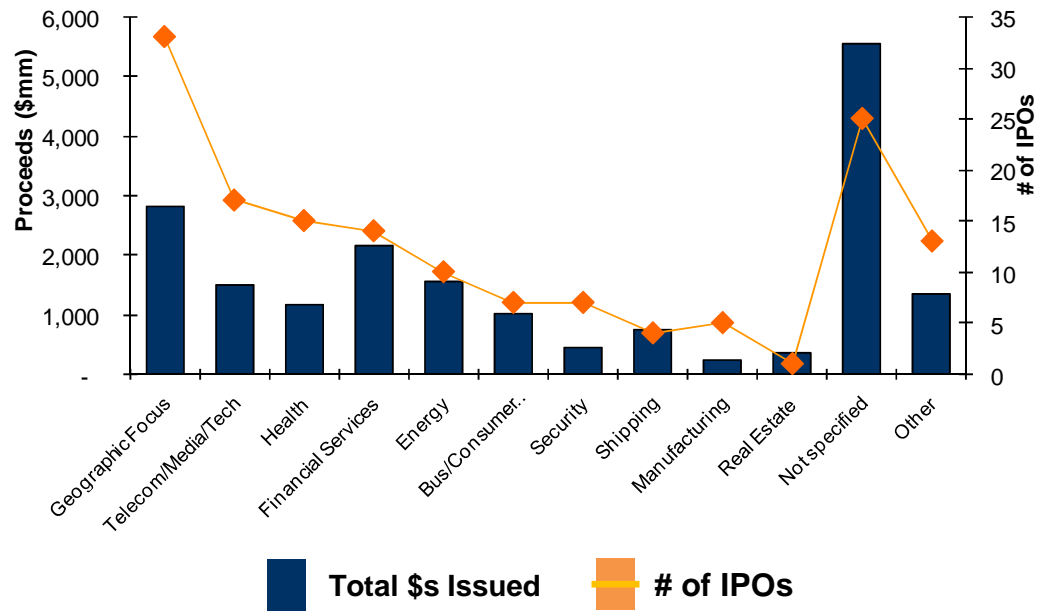
Approximately \$21.3 Billion Raised in Over 156 Issues



Source: Company Filings, Maxim Group Estimates
As of March 17th, 2008

Blank Check IPOs Per Investor Sector

Assets Raised Across Numerous Industries



Source: Company Filings

Note: "Other" includes Automotive, Consumer Products (2), Hospitality, Industrials, Paper, Packaging and Forest Products, Private Equity Portfolio Company, Publishing and Transportation

As of March 17th, 2008

Solid Returns⁽¹⁾ in a Growing Asset Class

- **Approx. 6.0% average total return for unit holders of issues that have completed business combinations**
- **Approx. 6.4% average total return for Unit holders of issues waiting for shareholder approval**
- **Approx. 2.9% average total return for Unit holders of issues “seeking mate”**
- **Approx. (8%) average total loss for the 7 liquidating/liquidated issues**
 - Average losses will decrease over time because new issues have higher average trust values than initial early issues
 - Trust values: 2007 average was 98.4% vs. initial transactions 92.5% in 2005
- **Close to \$21.3 billion raised for Blank Check Companies in over 156 IPOs**
- **Financial engineering gives greater returns to investors**

As of March 17th, 2008

Maxim Group Office Locations



New York City

405 Lexington Avenue
New York, NY 10174
800-724-0761

Woodbury

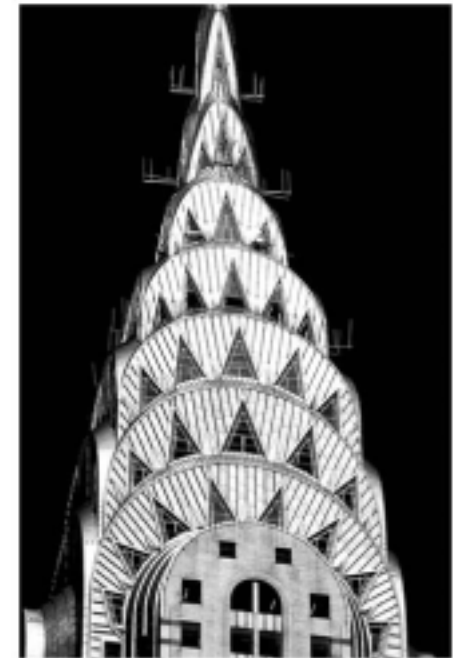
99 Sunnyside Blvd
Woodbury, NY 11797
800-537-6923

Red Bank

246 Maple Avenue, 2nd Floor
Red Bank, NJ 07701
800-724-0761

Baltimore

300 East Lombard Street
Baltimore, MD 21202
443-552-0300



Disclosure

- This information may provide an introduction to the subject of SPACs, but is not intended as a comprehensive or exhaustive analysis of the topic. This information should not be relied upon as the only source of information on this subject
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 - For information regarding a particular SPAC please refer to the SPAC's prospectus for additional information and consult your Registered Representative before making an investment decisions
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Blank Check Advisory Clients

- Maxim has been M&A advisor to numerous blank check companies
 - Over \$1.4 billion in advisory assignments

Completed Acquisition

Completed



Has agreed to acquire certain assets of



TMT Co., Ltd.

\$345,237,520

Financial Advisor to the Buyer

Completed

Millennium India Acquisition Corp.


Has agreed to purchase an Equity Stake in




\$56,000,000

Financial Advisor to the Buyer

Completed



Has agreed to acquire




\$115,000,000

Financial Advisor to the Ad.Venture

Completed

Israel Technology Acquisition Corp.

Has agreed to merge with



\$42,999,000

Financial Advisor to Israel Tech

Completed

Healthcare Acquisition Corp.

Has agreed to merge with



\$106,250,000

Financial Advisor to the HAQ

Announced Acquisitions/Awaiting Approval

Pending



Has agreed to merge with

Vanship Holdings Limited

\$778,000,000

Financial Advisor to EII

Pending



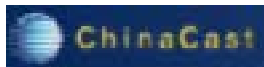
Has agreed to merge with



\$36,000,000

Financial Advisor to Affinity

Selected Former Blank Check – 45 Completed Deals



Selected Co-Managed Blank Check Offerings

➤ Maxim has raised in excess of \$4.0 billion in a lead or co-manager position



Triam Acquisition I Corp.

\$920.0 Million
Initial Public Offering
Co-Manager

Business Combination Company™ "BCC"™

Global Consumer Acquisition Corp.

\$300.0 Million
Initial Public Offering
Co-Manager

Business Combination Company™ "BCC"™

Stone Tan China Acquisition Corp.

\$240.0 Million
Initial Public Offering
Co-Manager



Oceanaut, Inc.

\$150.0 Million
Initial Public Offering
Co-Manager



Secure America Acquisition Corp. Inc.

\$80.0 Million
Initial Public Offering
Co-Manager



TM Entertainment and Media, Inc.

\$72.0 Million
Initial Public Offering
Co-Manager

Business Combination Company™ "BCC"™

JK Acquisition Corp.

\$69 Million
Initial Public Offering
Co-Manager



Arcade Acquisition Corp.

\$60.0 Million
Initial Public Offering
Co-Manager

Business Combination Company™ "BCC"™

Community Bankers Acquisition Corp.

\$60 Million
Initial Public Offering
Co-Manager

Business Combination Company™ "BCC"™

Alyst Acquisition Corp.

\$56.0 Million
Initial Public Offering
Co-Manager

Business Combination Company™ "BCC"™

Millennium India Acquisition Company

\$58 Million
Initial Public Offering
Co-Manager



Ad.Venture Partners

\$54.0 Million
Initial Public Offering
Co-Manager



China Healthcare Acquisition Corp.

\$51.0 Million
Initial Public Offering
Co-Manager

Business Combination Company™ "BCC"™

InterAmerican Acquisition Corp. Inc.

\$46.0 Million
Initial Public Offering
Co-Manager

Business Combination Company™ "BCC"™

FMG Acquisition Corp.

\$36.0 Million
Initial Public Offering
Co-Manager