

# **Pollution Risk Services, LLC**

## **Business Plan**

### **Executive Summary**

**BACKGROUND:** Pollution Risk Services, LLC was established in 2000 as the logical extension of Petro Environmental Technologies (established 1988), a work horse construction, remediation, and soil treatment company. After gaining 15 + years of experience through Petro Environmental, we assert that pollution conditions are merely business problems; and as such, need business-compatible solutions. Therefore, PRS specializes in environmental risk management and business problem solutions associated with environmental contamination. Since 2000, our company has sold Finite Risk Projects with approximately \$70MM of insured premium. Our company has remediated contaminated land and water sites; re-developed remediated sites; and restored communities to a safer, better quality of living through its business-compatible solutions.

Overall, our company is characterized as an innovative, cost-effective, solutions-oriented environmental risk manager whose business is to solve business problems. Our diverse group of staff professionals has managed over 3000 remediations giving PRS the breadth of experience necessary to tailor a unique approach to any business problem associated with environmental contamination.

What makes PRS unique is our ingrained desire to design and implement customized environmental contamination solutions that are cost-effective for businesses and ensure absolutely safe environmental conditions for the community. We have developed patented techniques that accomplish precisely these two goals. In addition, PRS has developed services that enable the liability associated with a contaminated site to be completely transferred from the responsible parties to PRS for a fixed dollar amount. Through our company's services and techniques, we are able to achieve remediation finality and a complete transfer of risk transfer, and a guarantee of cost.

**MISSION:** Our mission is to be a customer-focused, community-sensitive environmental risk management company structuring and implementing innovative yet cost-effective remediation solutions to meet the specific contamination problems facing companies.

**VISION:** Our vision is to turn every environmental contamination liability into a safe, community-friendly asset. Our company believes we have a moral imperative to complete every project so that both the client and community are protected. Our beliefs also include completing projects so that remediation activities meet/exceed regulatory guidelines, are cost-effective for the client, and result in a revitalization of the surrounding community.

**SERVICES:** The services that Pollution Risk Services offers enable us to achieve our mission and substantiate our values.

- **Clean Start:** PRS assumes the responsibility of cleaning the contaminated site and bringing it into regulatory compliance.
- **Clean Break:** Pollution Risk Services transfers the liability associated with the contaminated site from the responsible parties to PRS for a fixed dollar amount. We manage the site remediation and return the site to regulatory compliance.
- **Clean Sweep:** PRS transfers the liability associated with the contaminated site from the responsible parties to PRS for a fixed dollar amount, manages site remediation, returns the site to regulatory compliance, and assumes ownership of the site relieving the responsible parties from any and all future liability.
- **Superfund & Brownfield Remediation/Development**
- **Landfill Capping**
- **Reinsurance & Risk Assumption**
- **Property Redevelopment**

**POLLUTION RISK SERVICES DEAL STRUCTURE:** Though no contract, project, or deal is typical, the following deal structure model adequately depicts how Pollution Risk Services is able to achieve its mission and future goals.

**CY 2004 GOALS & OBJECTIVES:** In order to achieve our mission and continue our desired rate of growth, Pollution Risk Services is focusing on the goal of **strengthening/solidifying our place in the market by meeting the needs of clients through even more innovative, cost-effective risk-transfer solutions.**

In order to achieve our goal of strengthening/solidifying our place in the market, the following objectives will be completed during CY2004:

1) **Financial Objective:**

- As of January 1, 2004, Pollution Risk Services is positioned to sign 8 contracts for a total of \$40,000,000.00. As these projected contract/dollar figures are achieved, Pollution Risk Services will add Business Development staff. As Business Development staff are hired and trained, the total number of contracts/dollars realized will increase proportionally.

2) **Staffing Objective:** As of January 1, 2004, Pollution Risk Services is staffed to sign 8 contracts for a total of \$40,000,000.00. At this time, Pollution Risk Services is hiring another Business Development staff and Project Manager. Once hired and trained, the total number of contracts/dollars realized will increase proportionally. As each new contract/dollar figure milestone is

approached/achieved, Pollution Risk Services will increase its staff relative to the needs and growth of the company.

3) **Competitive Advantage Objective:** As of January 1, 2004, Pollution Risk Services is effectively and efficiently carrying out our stated mission. In addition to our stated mission, our CY 2004 goal is to strengthen/solidify our place in the market by meeting the needs of clients through even more innovative, cost-effective risk-transfer solutions. To that end, we have introduced two new Business Units within Pollution Risk Service that will enable us to achieve our CY 2004 goal:

- **Risk Assumption Unit**
- **Real Estate Development Unit**

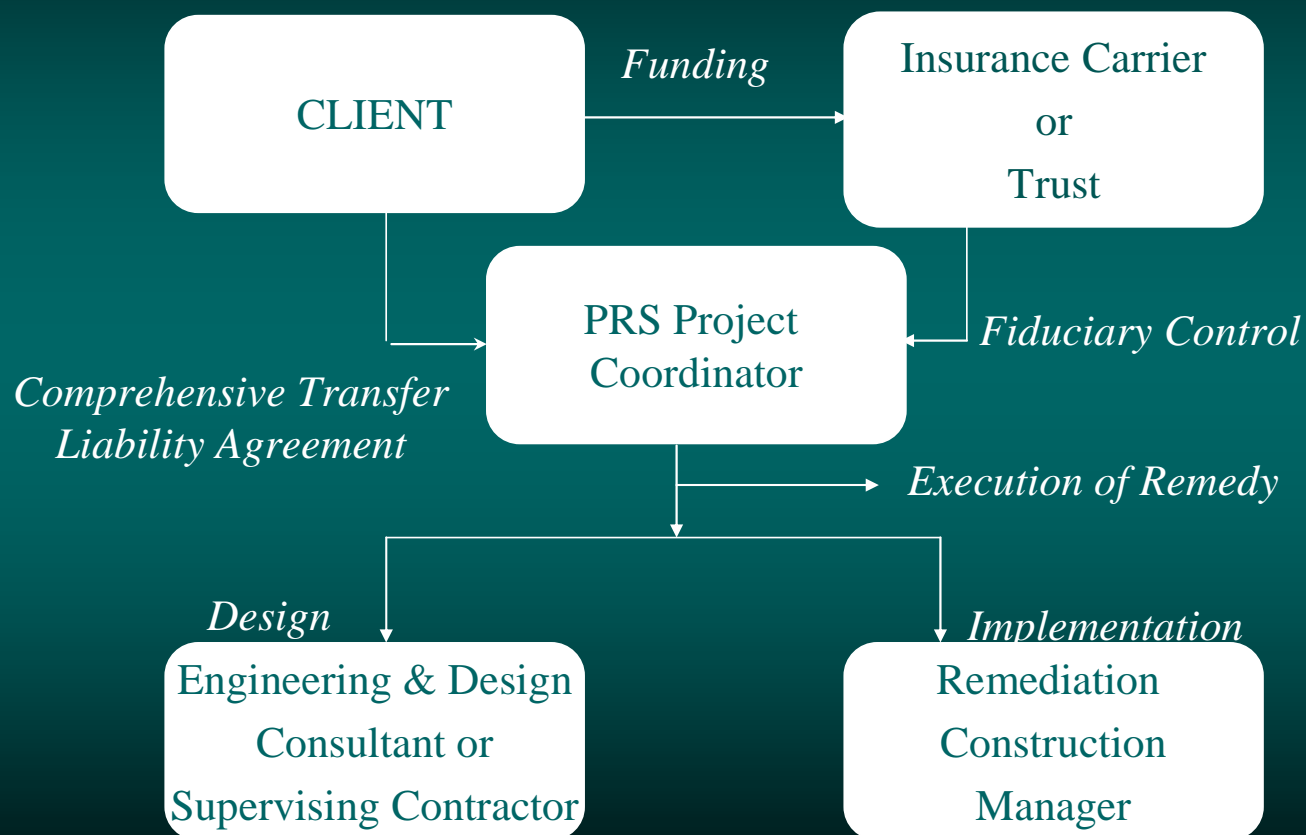
Through the introduction, development, and growth of these two Pollution Risk Services units, we will be able to provide the following innovative programs/services, giving us the competitive advantage we need to realize our CY 2004 goal:

- **Reinsurance & Risk Assumption Program:** On December 28, 2003, Pollution Risk Services introduced a revolutionary cost-capping and risk-eliminating service that will make us a leader in environmental remediation. Rather than using client dollars to purchase costly reinsurance carrier reinsurance policies for each project, Pollution Risk Services has a Risk Assumption Business Unit which utilizes company assets and insurance premiums to fully collateralize any cost overruns up to the level the project requires. Pollution Risk Services is so certain of our ability to deliver contract specifications; we put our own assets at risk to secure any/all cost overruns.
- **Real Estate Transfer Program:** As outlined above, Pollution Risk Services' remediation contracts and Reinsurance & Risk Assumption program allow us to assume the responsibility of restoring the contaminated site to regulatory compliance. This is the plan of action many responsible parties choose.

Over the past two years, it has become apparent that a growing number of responsible parties not only seek to transfer liability to Pollution Risk Services but would like for Pollution Risk Services to assume complete ownership of the land as well. This is the Clean Sweep Program and entails Pollution Risk Services taking ownership of the land, using the cost of the land to offset remediation costs, and redeveloping the land. This program removes responsible parties completely from any potential future environmental risk/responsibility associated with the property.



# TYPICAL DEAL STRUCTURE



**FUTURE LOOKS BRIGHT:** As outlined above, Pollution Risk Services is not only achieving its stated mission but is looking toward the future with a plan and purpose. Each action Pollution Risk Services takes is guided by the goals and objectives laid out in this plan. Though this plan allows for business growth and development, Pollution Risk Services will annually revisit and revise its business plan to ensure its place in the market. Innovation and meeting customer needs is our passion, and we will continue to move forward to achieve our mission and goals.