



MANUFACTURERS OF QUALITY CERAMIC ACCESSORIES

4299 South Apple Creek Road

P.O. Box 518

Apple Creek, Ohio 44606-0518

Dear Jim:

October 17, 2007

We are extremely grateful to you and Patti Sours of the Business Improvement Group for the excellent work that went into the successful turnaround of AC Products, Inc. BIG began by analyzing and understanding which products and customers were losing money on a gross margin basis. A plan was then put in place to affect a three tier approach to making these products and customers profitable.

- 1.) Implementing a price increase where possible
- 2.) Reducing the production cost of the products
- 3.) Retrenching from products and customers whose profitability could not reach an acceptable level.

As a result of these initial actions, we were able to become profitable and begin to generate positive cash flow. You developed a plan to re-calibrate overhead costs and labor costs to match the current level of sales. We have been able to generate a positive cash flow to sustain the business operations for the last 18 months.

The next step in the process was to re-engineer our operations to improve the labor, material, and machine efficiencies while simultaneously improving our recovery rates (yield percent). All of these actions added to not only increasing the rate from 58% to 72%, but also resulted in sustaining profitability and positive cash flow generation. Lead times to customers were reduced from 4 to 5 months down to 4 to 6 weeks.

Most important in this process was the fact that BIG displayed confidence in the existing management teams' knowledge of the business and empowered them to recommend changes and operate the business in a more efficient manner. The management team was held accountable and was motivated by having the ability and input to make changes.

AC Products was losing money even though sales were at an all time high and growing. Through BIG's turnaround plan and acting as the court appointed receiver, AC Products was able to restore profitability and become cash flow positive which put our company in a position to once again dominate our market niche.

BIG then successfully negotiated the sale of our company, maximizing the value received. Without BIG's involvement, we would not be in business today.

Thank you for all of your valuable efforts.

Sincerely,

A handwritten signature in cursive script that reads 'Dreama Seymour'.

Dreama Seymour
General Manager