Minerals & Mining
Case Study:

Includes:
Opportunity Marketing Piece
Skills Survey
Scorecard

Contact:
Patrick Ropella
Chairman & CEO
850.983.4997
ropella@ropella.com
COMPANY
Preferred Sands

POSITION
Managing Director, Resin Coating

LOCATION
Conshohocken, PA

For more information contact:
Jeff Bennett
Vice President, Client Services
Ropella
850-983-4871
bennett@ropella.com
Preferred Sands

Overview

Preferred Sands, LLC was formed by Preferred Unlimited Inc. for the purpose of acquiring, integrating and overseeing the company’s industrial mineral assets. Preferred Sands has specifically sought investments in silica sand to service the frac sand market.

Preferred Sands has established strong relationships with the largest, most creditworthy oil and gas service companies in United States and Canada. Preferred Sands has secured long term contracts with these customers - a testament to the Company’s focus on customer service, high quality products, competitive rates and value-add supply chain approach.

Preferred Sands supplies high quality frac sand to nearly every major oil and gas service company in every major basin. With Preferred Sands of Genoa approaching capacity constraints and selling out of certain grades, expansion has become a critical component to the company’s overall growth strategy. Preferred Sands has identified several opportunities to deepen valuable customer relationships by broadening the company’s product offering and geographic footprint.

Sales Team

Preferred Sands’ sales team provides an unparalleled customer experience. Since the Company’s inception, the team has remained clearly focused on creating and maintaining a devoted customer base. Over the course of the last year Preferred has positioned itself to increase national visibility and has added two regional sales associates to focus on servicing customers at the district level as well as developing new customer relationships and eventually delving into industries Preferred has yet to explore (i.e. foundry, glass).

The Company’s unique sales approach, together with the aforementioned contracts, led to high expectations of continued rapid growth in sales.

More Information:
www.preferredsands.com
Additionally, the increased production created by the Company’s wet plant coming back on-line post winter will bolster that capability - enabling production to return to a higher efficiency, capacity and capture rate.

Sales, year over year have increased over 125% from the first quarter in 2009 to the first quarter in 2010. This growth can be attributed to Preferred’s ability to anticipate and effectively pursue market opportunities, as well as the devotion to maintaining and developing a solid customer base.

In a very short period of time, Preferred has established strong relationships with numerous large and small customers which are a testament to its commitment to customer service, high quality products, competitive rates and sophisticated logistics systems.

Preferred Sand’s focus, from the beginning, has been centered on product quality while producing at a level in concert with the projections of the sales team. As far as ensuring a quality product goes, the in-house lab systematically tests all products, and regularly engages third party technicians to sample and test all sands. The Company is U.L. certified to NSF 61 standards, and meets or exceeds AWWA B100 specifications.
Resin Coating

The resin coated market, a subset of the broader frac sand market, commands premium pricing, and consequently, premium profits. Suppliers ‘resin’ coat frac sand and sell the finished product for four to five times per ton more than the typical market frac sand. The resin coated market is estimated to be approximately two million tons annually and is dominated by two suppliers.

The majority of resin coating suppliers have constructed processing facilities in stand alone locations (separate from their sand sources). Preferred will install its resin coating plants adjacent to the Company’s sand processing operations, experiencing substantial savings on transportation and infrastructure costs. The Company anticipates approximately $50 per ton in savings, providing Preferred the competitive advantage needed to penetrate the market and capture significant market share.

Preferred Sands’ existing customers continually request the Company to source a resin coated product. The installation of a resin coated product line will further enhance the Company’s offering to its most valued customers. Preferred Sands has completed fully engineered designs and plans for a resin coated operation, which is easily installed at any of the company’s existing operations. Each plant design and installation will cost approximately $10 million and generate incremental EBITDA on a stabilized basis of $10 million. Preferred Sands will install its first resin coated plant by the 1st quarter of 2011 and two more by the beginning of 2012.
Some may call him impatient. Preferred disagrees. Michael is incredibly impatient. However, this chief visionary has used that “what’s next?” attitude to take Preferred Unlimited from an idea to a multi-billion dollar investment company that is growing by leaps and bounds.

A product of Villanova University and Temple Law School, Mike’s career began with First Pennsylvania Bank in 1984. Since founding Preferred in 1992, he has built the company into a dynamic organization of like-minded professionals dedicated to creativity, hard work, financial ingenuity, and generally trying to get the very last ounce out of everything Preferred does.

Mike thinks fast and moves fast (he even walks fast), but you will never meet a better teacher or mentor. Together with his wife, Jeannie, he maintains a family, church, sports, community, and charitable schedule that has them slated to be everywhere at once. Their commitment to each other, to their five children, and to their fellow man are a marvel to all who know them.

Though he has been known to terrorize lobsters while diving off the coast of Cape May and to slip into moments of over-exuberance while riding his Harley, it is O’Neill’s visionary leadership and deep sense of responsibility that make him a businessman, philanthropist, and humanitarian of the first order.
T. J. Doyle

Chief Operating Officer

Disciplined, ambitious, competitive - T. J. Doyle is the textbook definition of those words. A prodigious student and athlete, T. J. joined Preferred Unlimited right out of Dickinson College, where he was Captain of the football team and an Academic All-Conference majoring in Physics (yes, Physics).

A master of deal and business practices, T. J. has extensive experience in every facet of our business. At 23, he was primarily responsible for executing a 300,000 square foot building lease with the federal government; by age 29, he had directed acquisitions with a transaction value approaching $500 million. Currently, T. J. oversees the day-to-day activities of our operating business, real estate development company, and our corporate headquarters.

Never one to forget the hard work that goes into a successful life, T. J. is a huge supporter of two institutions that helped him become the varsity player he is today - Philadelphia's Wissahickon Athletic Association and The J. Wood Platt Caddie Scholarship Trust.

Though he is astute, exacting, and obsessively organized, don’t let him fool you - T. J.’s an idea guy who thrives on enthusiasm, humor, and camaraderie. His laugh is as infectious as his 'we-can-do-it-no-matter-what’ attitude and his big heart shines back at the world through the eyes of his wife Maura and their three young children.
Managing Director, Resin Coating

Preferred Sands, LLC is an Industrial Sand company focused on acquiring and overseeing operations of industrial mineral assets throughout the United States. They are expanding their business and beginning a resin coating division. Preferred Sands is currently seeking an extremely motivated, experienced individual to oversee these expansion efforts.

The Managing Director will be responsible for managing the beginning stages of the resin business. This individual will be responsible for developing, building and designing each operation. He/she will work with Senior Management of Preferred on long term vision and evaluation of major strategic decisions.

Job Responsibilities:

• Provide leadership in the management of resin coating business to support cost effective, efficient and consistent high level production which includes safety, quality, environmental compliance, productivity, cost control, and maintenance

• Coordination of overall plant designs at each facility with initial focus on existing operations

• Responsible for the overall management of the construction process, including oversight of outside contractors

• Manage the construction budgets and other related project costs

• Identify and order long lead equipment for various locations

• Responsible for hiring key personnel for new business

• Direct day to day activity of product development team

• Responsible for negotiating terms for all future locations

• Provide input towards financial and strategic analysis of expansion opportunities
Job Qualifications:

• 10-15 years of management experience in chemical or related industry
• Bachelor’s degree or advanced degree in Chemical or Mechanical Engineering
• Demonstrated experience in profitability growing a business unit
• Self starting; takes initiative to maintain high quality standards
• Sales experience including sourcing new business and managing existing customer relationships
• Adequate financial skills to develop budgets, monitor variances, monitor cost metrics, install financial controls and price new projects
• Strong interpersonal skills to manage employees and develop relationships with customers
• Strong familiarity with mining equipment and production process including inventory control systems

Other Opportunities From Preferred Sands:

• Director of Operations
  This position will be responsible for supervising daily operational elements, including Quality Control, EHS, as well as engineers.

• Manager of Engineering
  This position will focus on all capital projects for existing mines and well as expansion efforts.
Conshohocken, PA & Surrounding Area

Conshohocken, PA

Located about 15 miles from Philadelphia, tiny Conshohocken is home to about 7,500 people. This city represents one of America’s most successful transformations from a mill town to a modern center of office and hotel services and waterfront residential living. Conshohocken is just far enough outside of Pennsylvania to avoid big city traffic while still being close enough to enjoy all of the city’s luxuries.

Philadelphia, PA

Philadelphia is the largest city in Pennsylvania and the sixth largest in the United States. Philadelphia has a population estimated to be over 1.4 million, while the Delaware Valley metropolitan area, population over 5.8 million, is the fifth-largest in the United States. The city contains many art museums such as the Pennsylvania Academy of the Fine Arts and the Rodin Museum, the largest collection of work by Auguste Rodin outside of France. The city’s major art museum, the Philadelphia Museum of Art, is one of the largest art museums in the United States and features the steps made popular by the film Rocky.

Philadelphia has a long history of professional sports teams, and has a team in all four major sports: the Philadelphia Eagles of the National Football League, the Philadelphia Flyers of the National Hockey League, the Philadelphia Phillies in the National League of Major League Baseball, and the Philadelphia 76ers in the National Basketball Association.

The Philadelphia metropolitan area has many malls, including the King of Prussia Mall, the second-largest mall in the United States and the Cherry Hill Mall in Cherry Hill, New Jersey. The region was also the home to the first Ikea in the United States. There are also several large outlet malls in the area, including Franklin Mills in Northeast Philadelphia and the Lancaster Outlets of Lancaster County.

The Central Business District is home to The Gallery at Market East, The Shops at Liberty Place, The Shops at the Bellevue, and a variety of standalone retail stores. Rittenhouse Row, a section of Walnut Street in Center City, has higher-end stores and boutiques. Old City and Society Hill, as well, feature upscale boutiques and retailers from local and international merchandisers. Philadelphia also has several neighborhood shopping districts, including Manayunk and Chestnut Hill.

The Philadelphia area is home to many colleges and universities, including Drexel University, Temple University, University of Pennsylvania, Peirce College, University of the Sciences in Philadelphia, The University of the Arts, Pennsylvania Academy of Fine Arts, Thomas Jefferson University, Moore College of Art and Design, The Art Institute of Philadelphia, La Salle University, and Philadelphia University.
Conshohocken, PA & Surrounding Area Links

**Conshohocken Links**
- Borough of Conshohocken
  www.conshohockenpa.org
- Valley Forge Convention & Visitor’s Bureau
  www.valleyforge.org
- Colonial School District
  www.hub.colonialsd.org
- The Times Herald
  www.timesherald.com
- ReMax Realty
  www.therealestategps.com

**Philadelphia Area Links**
- Philly History
  www.phillyhistory.com
- City of Philadelphia
  www.philadelphia.com

**News**
- Philly Weekly
  www.phillyweekly.com
- Philly
  www.philly.com

**Arts & Entertainment**
- Philadelphia Museum of Art
  www.philamuseum.org
- Pennsylvania Academy of the Fine Arts
  www.pafa.com
- Institute of Contemporary Art
  www.icaphila.org

**Education**
- University of Pennsylvania
  www.upenn.edu
- Temple University
  www.temple.edu
- Drexel University
  www.drexel.edu

**Shopping**
- King of Prussia Mall
  www.kingofprussiamall.com
- Reading Terminal Market
  www.readingterminalmarket.org
- Cherry Hill Mall
  www.cherryhillmall.com
Other Opportunities From Preferred Sands:

- **Director of Operations**
  This position will be responsible for supervising daily operational elements, including Quality Control, EHS, as well as engineers.

- **Manager of Engineering**
  This position will focus on all capital projects for existing mines and well as expansion efforts.

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If you have open positions in your organization, give us a call and put our people and our process to work for you.
Skill Survey for: Managing Director, Resin Coatings

Please type your answers in blue.

Name: __________________________ Date: ____________

1. Outline University Degree(s) with date(s):
   (Please provide the Name, the Location and the Phone # of each Institution & YOUR BIRTHDATE – so we can conduct degree confirmation check.) Note: This date is required in degree confirmation checks and will only be used for that purpose. Your birth date will not be supplied to the client.

2. Describe any experience in the sand and/or resin coating marketplace specifically as it relates to sourcing new business and managing existing customer relationships.
   If no experience in sand and/or resin coating then describe your experience in minerals or chemicals as it relates to the question.

3. Describe your familiarity with mining equipment and production processes including inventory control.

4. Outline your experience growing a business unit. What was your greatest percentage of profit and/or revenue increase in one year?

5. Describe your management experience in the chemical and/or related industries. Tell us about the number of employees you have managed in each role and provide a brief description of their level of experience.

6. Describe your involvement coordinating overall plant designs with initial focus on existing operations.

7. Describe your experience managing the construction process and budgets, including oversight of outside contractors, and other related project costs. What was the size of the budget? and What were the largest construction projects?

8. Outline your experience identifying and ordering long lead equipment for multiple locations.

9. What are your circumstances regarding relocation to either the Conshohocken, PA area? Are there any special issues we should be aware of? (Such as selling your home? Spouse’s work? Ages/relocating children at home? Joint custody issues? Parental care?)
10. If asked one of the following questions during an interview, how would you answer?

Why are you considering this opportunity? (or)

What's motivated you to consider a job change at this time?

References
Please provide three to six references. The first priority is customers, past bosses, then employees, then peers.

Example: Bob Smith, currently – Sr. VP/GM at ABC Coatings 412-123-4567, Email: bob.smith@abccoat.com.
Was Business Director, my direct boss, while I was Business Manager at ABC Coatings.

We will NOT contact any references until after completing the interview process and not without notifying you first.

1)

2)

3)
Our grading sheet is a form you complete on every candidate you have now screened as a potential fit. If you can tell that some of the candidate’s are probably C level in a superficial overview in comparison to others you set those aside now and grade the rest. The grading sheet will help you objectively weigh all the Must Haves and even the preferences in such a way that at the end of using the grading sheet process you can be pretty sure who the A plus candidates are, who the A candidates are, and who the B candidates are. Then we focus on scheduling for the A’s.

<table>
<thead>
<tr>
<th>Attribute</th>
<th>A/B/C</th>
<th>Comment</th>
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<tbody>
<tr>
<td>1. Education</td>
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<tr>
<td>A = BS or MS in Chem E or Mech E</td>
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<tr>
<td>B = BS in Chem E or Mech E</td>
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<tr>
<td>C = only BS in something other than above</td>
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<tr>
<td>2. Exp specifically in the sand/resin coating market as it relates to sourcing new business and managing existing customer relationships. If not san/resin coating then minerals or chemicals.</td>
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<tr>
<td>A = Yes</td>
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<tr>
<td>B = Somewhat</td>
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<td>C = No</td>
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<tr>
<td>3. Familiar with mining equipment and production processes esp. inventory control</td>
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<td>A = Yes</td>
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<td>B = Somewhat</td>
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<td>C = No</td>
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<td>4. Exp developing and growing a business unit, Greatest % of increase</td>
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<td>A = Yes</td>
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<td>B = Somewhat</td>
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<td>5. Mgt exp in the chem and/or related industry</td>
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<td>A = Yes, 15 years or more</td>
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<td>B = Somewhat, between 5-10</td>
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<td>C = None or very little.</td>
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<tr>
<td>6. Involved in coordinating overall plant design with existing operations in mind</td>
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<tr>
<td>A = Yes</td>
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<td>B = Somewhat</td>
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Our grading sheet is a form you complete on every candidate you have now screened as a potential fit. If you can tell that some of the candidate’s are probably C level in a superficial overview in comparison to others you set those aside now and grade the rest. The grading sheet will help you objectively weigh all the Must Haves and even the preferences in such a way that at the end of using the grading sheet process you can be pretty sure who the A plus candidates are, who the A candidates are, and who the B candidates are. Then we focus on scheduling for the A’s.

<table>
<thead>
<tr>
<th>7. Exp managing the construction process and budgets</th>
<th></th>
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<tbody>
<tr>
<td>A = Yes</td>
<td></td>
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<tr>
<td>B = Somewhat</td>
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<tr>
<td>C = No</td>
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<table>
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<tr>
<th>8. Exp identifying and ordering long lead equipment for multiple locations</th>
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<tbody>
<tr>
<td>A = Yes</td>
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<tr>
<td>B = Somewhat</td>
<td></td>
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<tr>
<td>C = No</td>
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<thead>
<tr>
<th>9. Relocation to Conshohocken, PA or Genoa, NE</th>
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</thead>
<tbody>
<tr>
<td>A = Yes, no issues and/or lives in the area</td>
<td></td>
</tr>
<tr>
<td>B = Some issues but nothing major</td>
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<tr>
<td>C = Will have major issues relocating</td>
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<thead>
<tr>
<th>12. Compensation: 150K to 200K with bonus TBD</th>
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<tbody>
<tr>
<td>A = 150K to 200K</td>
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<tr>
<td>B = 130K to 150K or 200K to 220K</td>
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<tr>
<td>C = below 130K or over 220K</td>
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<tr>
<th>13. Job Changes/Stability</th>
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<tbody>
<tr>
<td>Total Number of Job changes:</td>
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<tr>
<td>Total number of yrs working:</td>
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<tr>
<td>Average number of yrs at each job:</td>
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<tr>
<td>A = Avg. yrs = 5-10</td>
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<tr>
<td>B = Avg. yrs = 3-5</td>
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<tr>
<td>C = Avg. yrs &gt;3</td>
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<tr>
<th>Grading Point System:</th>
<th>Total Points Divided by __ grades = Avg. Grade</th>
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<tbody>
<tr>
<td>A’s = 4</td>
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</tr>
<tr>
<td>B’s = 3</td>
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<tr>
<td>C’s = 2</td>
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<tr>
<td>Bonus Points = 1</td>
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<tr>
<td>Now add up the numerical value of each grade and then divide by the total number of grades</td>
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