

**FAIR VALUE INVESTMENTS**  
**INCORPORATED**

575 MADISON AVENUE – 10<sup>TH</sup> FLOOR, NEW YORK, NEW YORK 10022  
TELEPHONE: (212) 605-0335

April 7, 2020

By email

Mr. Philip A. Falcone  
President, and Chief Executive Officer  
HC2 Holdings, Inc.  
450 Park Avenue, 30&31 Floors  
New York, New York 10022

Re: DBM Global, Inc.

Dear Phil:

As you know, Fair Value Investments, Inc. (“FVI”) is an owner of common stock of DBM Global, Inc. (“DBM”) and, as such, has expressed concerns about the use of DBM assets for purposes that do not benefit the corporation and its minority shareholders.

These concerns have included, but are not limited to, the objections we have presented – notably, with the publicly stated support of other DBM shareholders holding a majority of DBM’s minority shares – to HC2’s proposed use of DBM assets for a payment of more than \$20 million to settle class action claims against HC2 and its affiliates (“November 2019 Stipulation”) in the case of *Schuff International, Inc. Shareholders Litigation*, Consol. C.A. No. 10323-VCZ (“Schuff Claims”). While your representatives have explained that HC2 does not have the financial ability to satisfy these claims without the use of DBM assets, that HC2 interest does not justify imposing the costs of the HC2 defendants’ settlement on the non-defendant DBM and its minority shareholders. The Court has also expressed its concerns regarding this proposed means of settlement.

It is of course understood that the Schuff Claims are not HC2’s only need for unrestricted use of DBM assets. As you noted in your March 16, 2020 conference call for HC2’s performance progress, you believe that you must either sell or refinance DBM to provide the funds HC2 needs to satisfy its outstanding debt obligations. Under these circumstances, it is understood that any solution to the Schuff Claims must also address these other HC2 needs.

I believe that the relatively conventional investment banker/business solution summarized below would provide these practical benefits to both HC2 and the current minority shareholders of DBM:

- ***No cash would be required***, from either HC2 or DBM, other than for professional and administrative expenses.
- ***Implementation would require only the addition of a simple provision to the November 2019 Stipulation*** for an optional alternative in its originally proposed “Tender Offer,” as summarized below.
- ***Current DBM shareholders would be able to secure the value of their investments without concern about future HC2 use of DBM assets.***
- ***All DBM shareholders would be releasing claims against defendants.***
- ***The solution could be initiated quickly, within a matter of weeks, demonstrating HC2’s effective management and allowing your focus of full attention on other priorities.***

The following summary of the proposed solution's suggested elements is of course intended only to provide a general business concept for your consideration. More specific provisions and drafting of the suggested amendment to the November 2019 Stipulation would of course require detailed negotiation by counsel, with a resolution of FVI's Objection presented for Court review.

**A. Amendment of only the "Tender Offer" provisions of the November 2019 Stipulation**

Although other sections of the Stipulation would necessarily require review by counsel to conform with the addition of a new provision in the Tender Offer, the only substantive change in basic business provisions would be the addition of a second alternative for consideration by the "Non-Tendered Stockholders," offering them a choice of *either* (i) the originally proposed cash payment or (ii) an exchange for a newly issued DBM Preferred Stock in a form suggested below.

In this context, counsel might also consider a simplification of the Stipulation's current provisions for "Released Plaintiff Claims," since the Non-Tendered Stockholders' opportunity to exchange their common stock for the new DBM Preferred Stock would effectively relieve them of any practical reason to consider claims against the defendant parties.

**B. Terms of the proposed new DBM Preferred Stock**

**1. Exchange Rate: 1 share of Preferred for 1 share of Common**

**2. Preference Value: \$130 per share**

The proposed liquidation preference value of the new Preferred Stock is based on the approximate amount of valuations and recent HC2 sales of shares of DBM common stock reported at the time of the Stipulation, as well as published valuations of an independent analyst covering HC2.

**3. Dividend: \$7.00 annual rate, payable \$1.75 quarterly, cumulative**

Though less than the \$7.31 in dividends paid to each share of common stock during 2019, this suggested rounded amount for a dividend provides a reasonable 5.4% yield based on the new Preferred Stock's liquidation preference value.

**4. Conditional exchange in event of future DBM stock transfers**

Considering HC2's announced plans to explore strategic options for DBM, it would be reasonable to assure investors that they will not be deprived of opportunities to benefit from HC2's value realization of its DBM investment during some reasonable period of time, preferably 5 years. In the event that DBM is sold or becomes publicly traded before the end of that defined period, but only in that event, holders should have the right to exchange each share of Preferred Stock back to a share of DBM common stock.

**5. Conditional voting rights**

To the extent required to satisfy provisions for non-taxable exchanges, the Preferred Stock should have limited rights to vote under specified conditions and for specified purposes.

If you support a revision of the November 2019 Stipulation to include an acceptable version of this proposal, or of any variation or other alternative that reasonably addresses the

legitimate interests of DBM minority shareholders, I will ask FVI's counsel to negotiate a resolution of our Objection for presentation of a revised Stipulation for Court approval together with an application by FMV's counsel for fees and expenses. And FVI would then accept the tender offer.

I will of course also be asking the attorneys representing FVI in our Objection to the terms of the November 2019 Stipulation to review this proposal with counsel for HC2 and the other parties in the Schuff Claims. Although counsel for the parties have reported continuing discussions of possible amendments of the Stipulation to address our concerns, they have not informed us of any resulting proposals other than to invite FVI's suggestions. It is therefore assumed that my current proposal should be included in their review of alternatives.

Please let me know by this Friday, April 10, if you wish to explore this or any other alternative. I will naturally welcome discussions of business provisions with you or your financial advisers to refine any proposal for a mutually desired settlement, and also remain willing to consider any other solution that will assure respect of DBM shareholder rights.

Sincerely,  
FAIR VALUE INVESTMENTS, INCORPORATED

Gary Lutin, Chairman

cc: Joseph A. Ferraro  
Robert J. Kriner