

Acacia enters the auction arena!

No longer a "shell" company, Acacia began actual auction operations after closing on the acquisition of Augusta Auto Auction at 7 PM July 10, 2007. Holding our first auction the following day, Acacia Automotive finally achieved operational status after more than 18 months of planning and preparation by its management to create the parent company as an acquisition vehicle and to finalize its first acquisition. While the auction is located in North Augusta, South Carolina, it is only three minutes from downtown Augusta Georgia.

"Our first order of business is to revitalize the temporary facility so that all will know the auction is under new ownership and direction" said Tony Moorby, the company's President and Chief Operating Officer. "We launched our new operation with a major renovation project that will continue through mid-August. It is absolutely imperative that our dealer clients see Acacia as professional and dedicated to quality in every way. Augusta is a fantastic community that literally exudes potential, and we are thrilled to become one of its integral parts."

In addition to sweeping cosmetic changes, the company is preparing to acquire a list of new assets to bring the auction up to date with the latest technology. "We will be installing equipment to facilitate a 'paperless block' in our auction lanes in addition to moving from the old standards to installing many other innovative improvements" explained Steve "Junior" Sample, the company's CEO. "We will provide Tony with everything he wants and needs to accommodate his transformation of this sleepy auction into a vibrant part of the Augusta community and surrounding areas. Acceptance of our efforts by the dealer community has already been widespread, and we are finding new clients gravitating to the auction weekly. It is a very exciting time for Acacia Automotive!"

Moorby continued: "We are elated at the early results under our new management and direction. Whilst we have given our top priority and effort to the major renovation task, we did initiate a small test to see what effect some additional marketing may have on sales. In preparation for our third sale we effected two days of telemarketing as I also joined our General Manager, Dan Dorsey, in visiting with some local dealers one day that week. The results were absolutely amazing! We entered more vehicles in that sale than had been entered for the four prior years, and we maintained a very respectable conversion rate of nearly 65%. We now know that our visions of this auction's future were well-founded, and we can hardly wait to complete the auction's facelift and move into a full-court marketing and sales presence in the community and surrounding areas."

In a year-over-year comparison of the auction operations for the last three weeks of July 2006 versus 2007 (reflecting the initial period of Acacia's ownership of the auction), the company registered an increase of 35.03% in the number of vehicles registered and 26.50% in vehicles sold, as well as an increase of 29.99% in fees generated. Acacia's management is well-pleased with those results, adding that it does not intend to implement its full marketing strategy until completion of the facilities remodeling.

You can visit Augusta Auto Auction on the World Wide Web at www.augustaautoauction.net or by calling its General Manager, Dan Dorsey, direct at (803) 279-3234. The auction offers its whole car sale each week at 1:00 PM (the start time will change to 10:00 AM beginning

August 29th at our Grand Opening Sale), and offers a salvage vehicle sale monthly. In addition, the company offers a fine selection of confiscated vehicles and equipment for the U.S. Marshal's Service as announced.

The company has indicated in its recent [10-Q](#) report with the SEC that it intends to raise additional capital in the third quarter of 2007 so it can continue on the trail to additional acquisitions. "Acacia's strategic plan calls for approximately four new auction acquisitions per year", explained Moorby. "We have already been approached by a number of auctions wishing to be acquired by Acacia in whole or in part. Having now completed the learning process with our first acquisition, we are much better prepared to shorten the timeframe from LOI to close with future deals." While the plan is very aggressive, the company's management feels it is attainable through the strength and financial flexibility of the public corporation in which it resides. Moorby continued: "With new technologies currently in the works, we may actually now find it possible to exceed that annual maximum goal we had previously set. Integrating new acquisitions into the fold has always been the limiting factor for this type of horizontal growth, but we are at the doorstep of eliminating that problem through what we consider to be the most powerful and advanced technology ever made available in the auction industry."