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Bering Sea Group

A Division of TDX Holdings LLC

February 2010

Quarterly Newsletter

Diversification and Growth
Through a Unified Goal of
Exceeding Customer Expectations

What is the “business” of Bering Sea Group?

William Arterburn - Bering Sea Group Executive VP

All of us understand or should by now understand that we are engaged in the creation of value from the work that we do. Getting our arms around what constitutes value in our work and business is a bit more complicated. We reviewed the past years activities with the BSG Board last week and presented budgets and outlooks for the coming year. Our mindset for the coming year is guarded optimism as we seek to survive, grow and prosper in the challenging economic environment we face. While we are looking for a break out year in revenue growth and net profits, it's good as we start the year to re-examine who we are and what we do.

What is the “business” of Bering Sea Group? That's easy. We clean up and render safe environmentally damaged sites, we clean fuel storage tanks and maintain and repair petrochemical and power production facilities, we recycle, we provide functionality for certain electronic systems so that the users get maximum benefit, we facilitate our customers' communications through electrical, network, and fiber optic communications installs, we ease record keeping tasks for customers through digitization of their records, we fabricate and rebuild industrial operating components essential to our customers' businesses. Lots of different things, but, in a nutshell, our business is “providing services.” We are first and foremost, a service company.

Not a difficult conclusion to arrive at, but there are thousands of companies out there doing similar, if not the very same. Where is the value to our customers in using BSG's version of services? What makes us the “go to” service provider for our customers? In other words, what is BSG's value proposition?



As your senior management of BSG, articulating BSG's value proposition must be readily on my lips. BSG's value proposition lies in meeting or exceeding the defined needs of our customers, and meeting them simply, consistently, and without complications. Our value to our customers lies in always doing the job with full regard for the success of the customers operations and objectives. To

do that and be a value proposition for our customers, we must constantly discover and rediscover their needs through self evaluation of our own performance and through communications with our customers. We don't determine the value proposition of our services, the needs of our customers do, and by focusing on those needs we are constantly discovering and refining the value of our services. BSG provides value to its customers, not because of what we say we are, or desire to be, but because of who we are and what we actually do.

A new cycle begins as a contract ends. The value proposition of BSG services will be tested at all levels in 2010 and throughout the rest of the decade. Our customers' needs are ever changing as they reformulate their respective approaches to their respective missions. To maintain and grow, to support our optimistic projections, we will be asked to re-apply for some of the jobs we have done in the past, find new ways for delivery of the services we have comfortably provided in the past, and to discover new customers with new needs for our changing types and levels of services. Both challenge and reward lie at the end of the path. BSG companies will be up to the challenge, by remembering that the services we provide, have a BSG value proposition attached that is constantly defined and articulated by our customers' needs.



Security Clearance Adjudication and the Continuous Evaluation Process

BSE and BSEN's Security Awareness Program

Lenora Kochutin FSO - lkochutin@bseak.com

Melvin Johnson, Deputy FSO/Safety Officer - mjohnson@bseak.com



Important elements of the BSE business portfolio are contracts that require individuals to perform duties in sensitive areas which necessitates obtaining and maintaining security clearances. It is essential that individuals who perform duties in sensitive areas understand how the assessment process works, both for the initial eligibility and for the continuous evaluations for retention of a security clearance. The overall process is actually two-fold, beginning once an individual is submitted for consideration:



Continuous Evaluation Program



(1) A personnel security investigation is an inquiry into an individual's loyalty, character, trustworthiness, and reliability to ensure that he or she is eligible to access classified information or occupy a position of trust. Any doubt concerning personnel being considered for access to classified information/eligibility to perform sensitive duties is resolved in favor of the national security.

Adjudication is the decision whether to grant or deny/ revoke either a clearance or the eligibility to perform sensitive duties based upon the investigative evidence. During the adjudication process, adjudicators use a "whole person" concept in determining whether a clearance or eligibility is to be granted. They carefully weigh the information that has been gathered during investigation, favorable and unfavorable, past and present. The employee's strengths are evaluated to determine whether these strengths outweigh any weaknesses. Each case is judged on its own merit.

(2) Once the initial favorable eligibility determination has been made, an individual falls under the Continuous Evaluation Program (CEP) while "in status" (assigned to a sensitive position or having access to classified information or material). By definition, CEP involves the uninterrupted assessment of an individual for retention of a security clearance or continuing assignment to sensitive duties. CEP includes reinvestigation at given intervals based on the types of duties performed and level of access to classified information. Incumbents of Critical Sensitive positions are reevaluated every five years (BSE has 7 employees that fall in this category). Incumbents of Non Critical Sensitive positions (the majority of our cleared employees) are re-investigated every 10 years if they have access to SECRET material.

Another important element of the CEP is employee centered. That is to say that each of us are required to continuously evaluate ourselves and our fellow cleared employees for obvious signs as they relate to the same adjudication guidelines used to establish your initial security clearance eligibility:

- Alcohol Consumption
- Drug Involvement
- Psychological Conditions
- Criminal Conduct
- Handling Protected Information
- Outside Activities
- Use of Information Technology Systems
- Allegiance to the U.S.
- Foreign Influence
- Foreign Preference
- Sexual Behavior
- Personal Conduct
- Financial Considerations

Please keep in mind that this is not a "Green Light" to pry into the personnel lives of our employees, rather we must keep an awareness of one's state to assure the security of classified information and national security.

A Big Welcome: Please join me in welcoming our new "Corporate" Facility Security Officer (FSO) Mrs. Lenora Kochutin. Lenora and Melvin are now teamed with overseeing our security responsibilities for Bering Sea Ecotech and Bering Sea Environmental. For additional Security Awareness Program information please visit us on the web at <http://www.bseak.com/bse-secure/security.htm>.

Fiber Optic Projects on the Horizon

Don Lee - Project Manager - Sacramento - dlee@bseak.com

The US and global markets are looking to reap the benefits of the internet economy. This can be done by virtue of an innovative breakthrough followed by growth in the market, built on the infrastructure, that can be derived by the "build out" of new broadband infrastructure. Bering Sea Fiber & Cable Division has been working on Fiber Optic Cable installation prior to the allocation of stimulus funding by the federal government. BSE had adopted the cutting edge technology of micro-trenching technology, along with air blown microfiber. This method was barely recognized a year and a half ago, but is becoming accepted as the desired install method for deploying new fiber optic cable. BSE has been one of the few certified installers of the air-blown microfiber for North America for well over a year.



Deep Cut Direct Bury Trenching

The allocation of federal stimulus money for broadband projects has caught the attention of all those involved in fiber optic installation and infrastructure "build out" for the past year, from municipalities, to telecommunications giants to fiber optic installers. We have been involved in this

process, researching opportunities that match our install methodology, and have been actively working on several such funding opportunities.

At present, we have worked out arrangements on several potential stimulus funded projects as the prime contractor, and are awaiting notice of funding that should come at any time. A project in Northern California for approximately 160 miles of fiber optic install. A second and larger project covering Northern and Central California of over 830 miles. And thirdly, a smaller project in Southern California along the Mojave Desert. The Government will "roll out" notice of awards over the next 2-3 months dispersing \$2 Billion in funding allocations. We

believe that the projects mentioned above will be awarded during this time frame; the remaining funds will be allocated in two subsequent roll outs. Projects need to be shovel ready, and completed within two years. BSE Fiber & Cable Division stands ready to undertake any or all of these projects, while researching other opportunities as well.

Brain Teaser

0

M.D. / M.B.A. / B.A.

Answer: Three Degrees Below Zero

Technical Services Division Update

BT Smith - Director Technical Services Division
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Well it may still be the dead of winter, but things are really starting to spring up for the Technical Services Division (TSD). In October TSD was awarded a task order to move the radios and the Range Remote Unit (RRU) from Myrtle Beach SC to Charleston AFB, SC and to install radio suites at Bogue Field, NC (for Seymour Johnson AFB, NC) and do the same at Wallops Island, VA for Langley AFB, VA. To accomplish this our Fiber and Cable Division will be supporting us by providing an in-ground fiber optics line at Bogue Field which was a crucial aspect. This effort was scheduled to begin in December, but was delayed awaiting approval from the Marine Corp for use of their tower at Bogue Field and from NASA for use of the tower at Wallops Island.

It now appears that most T's are crossed and I's dotted and our team will finally be in the field within the next two weeks (fingers are crossed) starting at Langley and heading south as they go. With a little luck we should have all three sites up and running by mid-March. This is a huge effort that we are hoping on using as a springboard for future efforts, as there are more than a half of dozen sites that are planning on getting the P5 Combat Training System (CTS) with at least one RRU to allow live monitoring of training missions, all of which will require radio suites.

Human Resource (HR) Reminders

Connie Bergo - HR Manager
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Since our last newsletter, we've had some changes in the BSE Corporate office. Zenaida who was doing our Accounts Payable has transferred to the Payroll position. Please submit your timesheets to her at zkochutin@bseak.com. Also please welcome Alexandra Werba. Alex joined our team in January as our Business Analyst. She is a TDX shareholder who recently graduated with a BA in Business Administration and Management. We're excited to have her on board, welcome Alex!

Open enrollment for the health plan is in May with an effective date of coverage June 1. If you are currently in the plan and want to switch plans; that would be the time to do so. Enrollment forms can be accessed on the website, from your supervisor or by contacting the HR Department. Enrollment forms should be submitted to the HR department attention Connie before June 1st.

2009 W2's have been mailed the week of January 25th. If you have not received it within two weeks, please contact Zenaida in Payroll to request a copy of your W2.

TSD Employee of the Year



Gregory Stewart - Pod Technician
Shaw AFB, SC

BSE and the Technical Services Division would like to congratulate this year's Employee of the Year Gregory Stewart. Greg's work over this past year has been exemplary and his dedication to his job and attention to detail have allowed him to stand out from the other employees in contention for this coveted title. It was indeed a very close vote this year. Below are just a few of his many accomplishments over the past year. Again Congratulations Greg on a job well done. Keep up the great work and know that BSE appreciates all your continued efforts and accomplishments.

Job Performance

- Aggressive actions and attention to detail saved both a pod and possible aircraft from possible destruction. His actions saved a possible lost sortie and Air Force \$185,500 for the P5 Pod, prevented possible damaged or loss of the aircraft, along with preventing the death or injury to the civilian population from the loss of the pod or aircraft in flight
- Outstanding contribution contributed to 5499 P5CTS Sorties for the Year, with a superb 97% mission effectiveness rating for all sorties and 100% of all sorties scheduled were loaded

Self Improvement

- Continuing his education enrolled at the Cleveland Institute of Electronics with 30 out of 62 credit hours completed and a GPA of 3.8. BSE has already benefited with his understanding and working knowledge of the new test equipment, able to diagnose problems with the Spectrum Analyzer and Power Meter

Community Involvement

- Fundraiser for the AFA board for the support of Air Force families who have spouses deployed to AOR from Shaw AFB
- Supported local law enforcement with Holiday benefit party, providing the food and setting up of the banquet hall-Greg also acted as the DJ for the event providing music and entertainment for all attendees

For a complete rundown please visit the Employee Awards section on the BSE website - http://www.bseak.com/division/employee_awards/tsd_emp_year.htm

Technical Services Division Employee of the Quarter



James JJ Storch
Quality Manager
Newport News, VA

Job Performance

- Outstanding contribution to overall program success, **all CPAR ratings Exceptional!**
- Assumed responsibility for monitoring monthly and quarterly report inputs
- Identified 400+ missing sorties — identified/eliminated cause
- Authored System Availability Reports
- Conducted periodic Activity Audit, crucial for annual Program Review
- Solely responsible for maintaining BSE's ISO 9001-2000 certification — managing transition to the new ISO 9001-2008 standard—already exceeds requirement standards

Self Improvement

- Completed 10 Professional Development Units through Project Management Institute
- Accomplished OSHA's Safety & Health Management Systems for Managers certification

Community Involvement

- Initiated Community Recycling Program—has reduced landfill waste by 20%

For a complete rundown please visit the Employee Awards section on the BSE website - <http://www.bseak.com>

BSEn Chemical Services Group Update

Warren Perkins - General Manager -
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The BSEn Chemical Services Group recently completed a chemical cleaning project in the Calcination Unit at Sherwin Alumina Products Plant in Gregory, TX. A specialized acid solution was used to remove multiple layers of foulants and scales from two Vacuum Pump Casings. The project was performed with ZERO safety incidents or environment impacts and was considered a great success by our Sherwin contacts. The news of our success has already started leading to more business with Sherwin in other areas of the facility.

Recent project awards for the Chemical Services Group include work to be executed at the Huntsman Chemical Plant in Port Neches, TX; OXEA Chemical Company in Bay City, TX; and Alstom Power in Kapolei, HI.

The Huntsman Oxidation Outage is scheduled for JAN/FEB 2010. This is a large scale Outage that will be performed through our alliance with Turner Industries



BSEn Employee (Yellow protective gear) works in a barricaded area using a circulation tank process designed to remove dirt and grime from Vacuum Pump Casings at the Sherwin Alumina Plant in Gregory Texas.

and will require BSEn to provide Project Management and Engineering personnel to oversee and track all cleaning activities. This project is a critical path outage for the

Huntsman facility and will give BSEn an opportunity to promote our ability to custom design chemical solutions and circulation procedures.

The project for OXEA Chemical is scheduled to start May 2010 and will involve the chemical cleaning of numerous vessels and heat exchangers that are being pulled from service. The chemical cleaning activities will be performed through our alliance with KMAC Specialty Services.

BSEn Chemical Services will be working with BSE Hawaii at the Alstom Power Plant located in Kapolei, Hawaii. The scope of work includes de-inventory and cleaning of two Low Sulfur Fuel Oil tanks. The work will start on February 15th and should last for several weeks. Both BSE Hawaii and BSEn Chemical Services are excited about this project and look forward to promoting our wide joint capabilities throughout the islands.

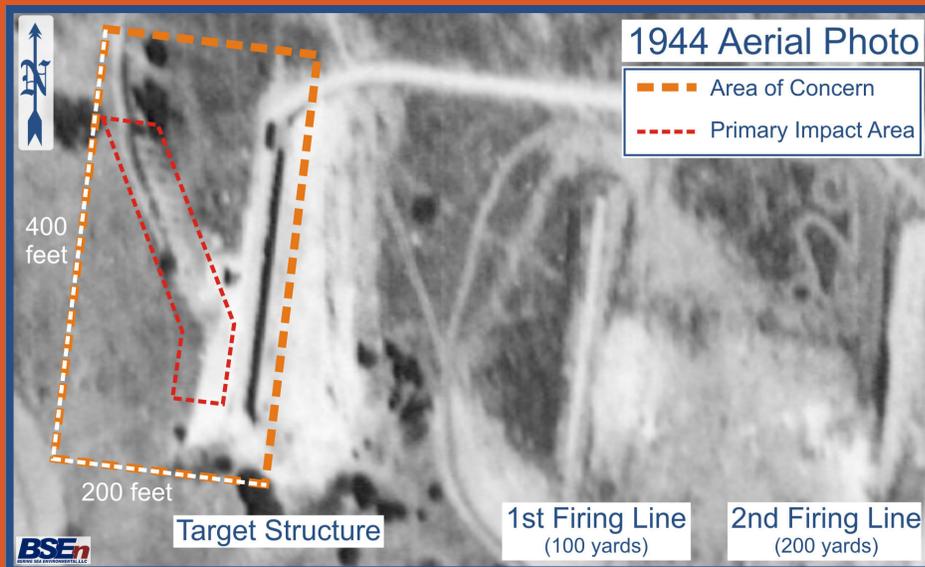
Please congratulate the BSEn Chemical Services Group as they look forward to a productive long term relationship with all of these clients as well as others in the Gulf region and Hawaii.

BSEn Wins Army Environmental Contract

Nicholas Henegan - Director, Federal Programs
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On 29 December 2009, BSEn was awarded a 5-year Indefinite Delivery/ Indefinite Quantity contract with a \$10 million capacity. The scope of work is to provide environmental services on a nationwide basis with an emphasis on turnkey remediation. This contract was awarded as a noncompetitive direct award from the Baltimore District of the US Army Corps of Engineers to BSEn through its 8(a) status. It is the result of ten months of discussions and negotiations. The scope of work under this contract vehicle is extremely broad based. BSEn is actively seeking remediation projects for Army and Air Force installations which could be executed through this contract. It will be managed by Nicholas Henegan.

BSEn has also been awarded its first Task Order under this contract. This Task Order is to conduct a Time Critical Removal Action of lead-contaminated soil at a former small arms firing range for the Utah Army National Guard. The former range is located on Camp Williams, about 25 miles south of Salt Lake City, Utah. Its use dates back to



Project Site Based on Interpretation of Historical Aerial Photographs

World War II. The scope of work for the project consists of delineating the extent of residual lead contamination, over-excavating contaminated soil, classifying the removed soil for its most economic disposal, properly disposing of the soil, and fully documenting the field activities. BSEn will prepare work plans, remove and dispose of up to 2,400 tons or more of

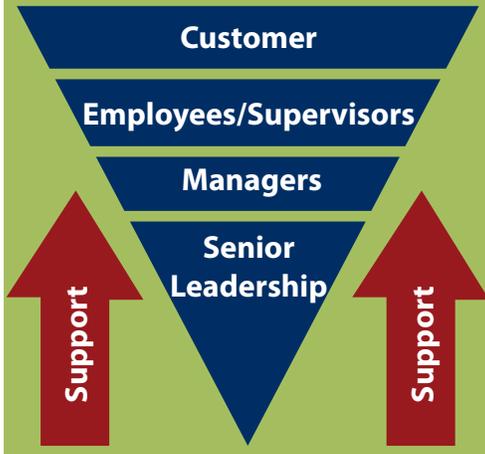
contaminated soil, and prepare a final report in 60 days. It must demonstrate successful cleanup of the site to support a land transfer and the construction of new facilities in the spring of 2010. The Project will be managed by Brandon Wheeler. This is an important project to the National Guard, the US Army Corps of Engineers, and the State of Utah.

Succeed Using the Power of the Pyramid

James Storch -Quality Manager
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We continue to experience the highest degree of success in the areas where we emphasize the relationship of individuals within our company to our customer; one way we do this is through the Inverted/ Upside-down Pyramid—an upside-down triangle with the narrow tip pointing downward and the broad base pointing upward. The broad base represents the customer and front-line/work-center at the top, where employees provide our organizational face to the customer and produce the quality results. The narrow tip represents the quality orientation provided by senior management. The customer-focused pyramid communicates levels of importance and depicts the reliance on management supporting people. “If you’re not serving the customer, you’d better be serving someone who is.” ⁽¹⁾

1. Karl Albrecht, Ron Zemke, Service America



Riddle Me This

Q1: If a plane crashed on the border of England and Scotland, where would they bury the survivors?

Q2: You're a bus driver. At the first stop 4 people get on. At the second stop 8 people on, at the third stop 2 people get off and, at the fourth stop everyone got off. The question is what color are the bus drivers eyes?

Q3: What has a mouth but doesn't eat, a bank with no money, a bed but doesn't sleep, and waves but has no hands?

A1: You don't bury survivors
 A2: The same as yours, you're the bus driver.
 A3: A river.

Article Deadline for the May Edition of the Quarterly Newsletter is April 27, 2010

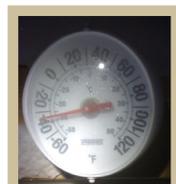
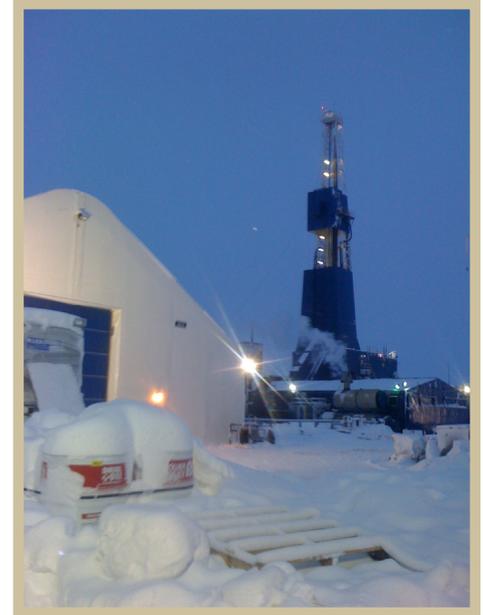
BSE Electrical Group Teams with Fiber & Cable Division

Richard Viveros – Electrical Program Manager
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In regards to our BSE Electrical Group, Fiber & Cable Division, I would like to start by saying how proud we are of our crews. The opportunities and accomplishments that have developed and materialized for our division this last year have been solid.

In particular recognition is our electrical rotation crews currently working at Exxon Mobil Point Thomson Central Pad, North Slope Alaska. This particular group of electricians, in a short period of time, has managed to maintain a level of workmanship, knowledge, abilities, participation, dedication and safety that has been noticed by many.

This unique job site is a 24/7 work environment, with a set of rules and protocol that is all based on accountability and redundant safety. These conditions are among the harshest known to man as can be seen by the accompanying photos from the work site. In temperatures reaching minus 40 degrees, in wind, and in ice/snow, our crews typically work 12 hour days, 7 days a week for 21 day periods. BSE was originally hired for the installation of two particular specific electrical tasks and because of their success, we found ourselves with additional workloads throughout the Pad and a service contract through 2014. Due to the extreme work environment, additional man-hours some days are required due to emergency repairs.



Our customer is extremely happy with BSE's performance level, because their customer Exxon Mobil is extremely happy. They have recently made it a point to express these 'kudos' during the scheduled weekly phone conference, which includes Exxon Mobil's main office in Texas. Way to go guys!

The other exciting developments with our division are the Electrical & Fiber Optics Cross-Training that has fallen into place. The recent Alaska and California fiber projects have given us a jump start with our on-the-job fiber optic experience as BSEn crews, with a good look at our own abilities and personnel for our next ventures. One of our key advantages is that we have one of the finest Fiber Optics Program Managers who is currently on staff working out of our Sacramento office. His background and experience includes many years vested in the electrical industry, which has been a real asset.

Electrical & Fiber Optics go hand in hand and in our case has proven to be a great fit. I see a bright future for our division.



Florida's "Redneck Riviera"

David Goldsberry- Site Manager
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Eglin AFB, home to one of Technical Services Division's P5 operational support elements, is situated on the Florida Panhandle between Pensacola to the east and Panama City Beach to the west. This area of Florida is known by many colorful names such as The Emerald Coast, LA, and The Red Neck Riviera. The Emerald Coast came from the pristine emerald green water along our beaches, LA for Lower Alabama, and the Redneck Riviera for being a southern vacation destination. I call this area home and it has almost everything to offer. Fantastic fishing and diving for the sportsman, pure white beaches for the lounge, outlet stores for the shopper, and fine dining establishments abound for the eater in everyone.

The deep-sea fishing is a huge draw to our area, with Destin a local seaside resort holding the nickname "The World's Luckiest Fishing village". The underwater diving is fantastic due to the crystal clear waters and it received a big boost when the USS Oriskany a 888-foot aircraft carrier was sunk 24 miles

off the coast in 212 feet of water to become the world's largest artificial reef. The "Big-O" attracts divers from around the world for the opportunity to explore this sunken aircraft carrier so close to shore.



If lounging is more your style then you are in luck, the sugar white beaches contrasting with the emerald green waters make our beaches one of the most beautiful in the world. Crab Island is an excellent spot for enjoying the clear water. It's an underwater boating and party island located on the North side of the Destin bridge. In the summer you may see up to 200 boats on the spot. This is where you can anchor to spend the day swimming, snorkeling, and playing water Frisbee. The water around Crab Island ranges from 2 to 10 feet deep depending on where you anchor. Watch out for the locals on the weekends

it can get pretty crazy. If you don't have a boat there are many places where you can charter a boat for a day of fishing or rent a pontoon boat for anchoring on Crab Island.

There are plenty of different shopping areas and restaurants to visit there is the Silver Sands Outlet Mall, the Destin Commons featuring a Bass Pro Shops and Hard Rock Cafe, the Village of Baytown Warf with many small boutiques and the newest attraction at the foot of the Destin Bridge the Harbor Walk Village. All these spots have restaurants offering fresh local caught seafood.

The next time you are looking for a spot to vacation come to our home and enjoy a little bit of The Redneck Riviera.



Time Out for Safety - Chilling- Out During Winter Safely

Dan Skrobialowski - Director UXO Division - dskrobialowski@bseak.com

When winter temperatures drop significantly below normal, staying warm and safe can become a challenge. Along with the cold weather our days are shorter and we have to prepare for how to cope with both the cold weather and diminished natural light and their impacts to our work schedule and how we conduct operations.

As long as we are working and playing safe, work can be accomplished safely and winter activities enjoyed. Preventive action is our best defense against health and safety hazards this winter or any season. To help put the focus on winter safety below are the top ten winter safety tips.

Top Ten Winter Safety Tips

1. Preventing hypothermia in winter is key to survival and can be achieved by dressing appropriate for conditions, staying hydrated and warm. Also, know the symptoms of hypothermia and take action. Watch for the "Umbles"; - stumbles, mumbles, fumbles, and grumbles which show changes in motor coordination and levels of consciousness. Other symptoms include uncontrolled shivering, dilated pupils and low pulse. If hypothermia is suspected, get medical help immediately.
2. Staying Hydrated can help stave off hypothermia. Although the weather is

chilly, dehydration can still be a factor especially for people engaged in strenuous activity.

3. Be aware of cold injuries. Frostbite and frostnip injuries are preventable if we maintain our safety awareness. Frostnip generally occurs on the earlobes, cheeks, fingers and toes and is treatable with the gentle application of warm air or against the skin. Frostbite is a more serious condition where the area affected is frozen, and requires prompt treatment by a medical professional.
4. Dress appropriately for the weather. Many thin layers of clothing made of synthetic wicking material with a windbreak will provide more warmth than a single heavy sweater or shirt with a jacket. As you warm up from activity, take layers off and then add layers of clothing later, as you cool down to prevent getting chilled.
5. Sun Protection. Many people only think of sun protection in the heat of the summer however, the same rules apply in winter. Apply a quality sunscreen to exposed areas of the skin and use sunglasses or goggles that provide UV protection.
6. Know your limits. Always ski, snowboard, or run your snowmachine under control and in approved areas. Too many injuries occur on the slopes from inexperienced enthusiasts going over their limit and out-of-control.
7. Plan and prepare for the weather. Weather systems can change rapidly anytime of the year. Make sure that both your home and vehicle are prepared for a severe winter

event. Decide if you are going to stay in place or relocated if the power goes out and plan accordingly.

8. Check carbon monoxide and smoke detectors. Many of us use fireplaces and space heaters during the winter. Exercise care around the portable heaters and make sure you have a carbon monoxide detector that's installed correctly and working properly. Carbon monoxide is odorless and colorless gas caused by incomplete combustion. Sources in the home can be gas water heaters, stoves, fireplaces, fuel oil and gas heating systems, and improperly ventilated generators. Have your heating appliances checked by a reputable technician annually. Also, check our smoke detectors twice a year for proper operation and battery life.
9. Know how your winter equipment such as snowblowers, snowmachines, generators and portable heaters are to be operated, and be sure the required safety equipment is installed and on-hand.
10. Use the Buddy System. Winter activities can be more fun in a group and provides a measure of added assistance if needed. If you plan to go out on your own, be sure to leave a trip plan with a family member or friend. Let them know where you are going, the route, and when you plan to return. Also, give them a call when your get back from your activity.