

ESSEX RENTAL CORP.

NASDAQ: ESSX

**Presentation by Casey Capital, LLC
Dated May 13, 2015**

Disclaimer

On May 7, 2015, Casey Capital, LLC (“Casey Capital”) and Lee D. Keddie , filed a definitive proxy statement with the Securities and Exchange Commission (the “SEC”) in connection with the 2015 Annual Meeting of stockholders of Essex Rental Corp. (“Essx” or the “Company”). The definitive proxy statement is available at no charge on the SEC’s web site at www.sec.gov and contains information related to the participants and a description of the participant’s direct or indirect interests, by security holdings. In addition, Casey Capital will provide copies of the definitive proxy statement and accompanying proxy card without charge upon request. Casey Capital and Lee D. Keddie intend to use the proxy card accompanying the definitive proxy statement to solicit proxies from the stockholders of the Company.

Disclaimer (cont'd)

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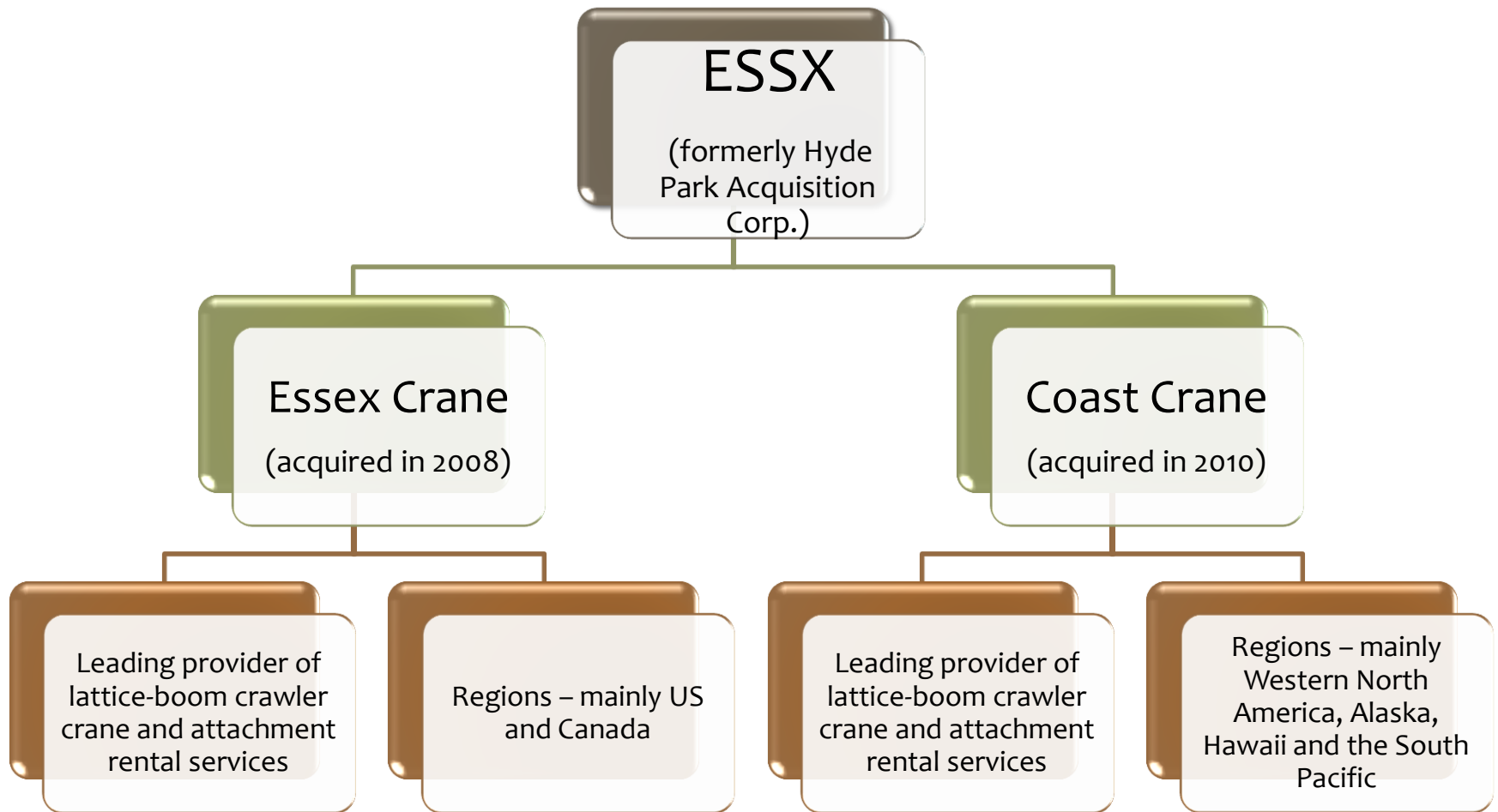
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About



Business Overview

- 
- Engaged in providing of lifting equipment used in construction projects
 - Provides product support including installation, maintenance, repair and parts and services for its equipment
 - Incorporated in DE and headquartered in Buffalo Grove, IL

- 
- Projects overview- power generation, petro-chemical, refineries, water treatment and purification, bridges, highways, hospitals, shipbuilding, offshore oil fabrication and industrial plants, and commercial and residential construction
 - In 2014, 22%, 21%, 17%, 16% and 16% of total revenue from the general building, industrial and marine, petrochemical, transportation and infrastructure and power end markets, respectively

- 
- “Bare” - Without supplying an operator and, in exchange for a fee, make arrangements for the transportation and delivery of equipment
 - While the equipment is on rent, the maintenance and repair costs are borne by the customers
 - Revenue - For 2014, International customers is 6.3% and Canada is 4.9%. One customer each accounted for app. 19.9% of the equipment rental segment and app. 11.7% for equipment distribution segment

Operating Segments

Equipment Rentals Segment

Essex Crane Equipment Rentals Segment

Coast Crane Equipment Rentals Segment

2014 Revenue = \$73.2M

Equipment Distribution Segment

2014 Revenue = \$9.9M

Parts and Service Segment

2014 Revenue = \$20.3M

Executive Summary

- Share price has plummeted by 83% in just four years:
 - **\$7.53 (April 2011) to \$1.24 (April 2015)**
- Company has been funding most of its operations through high interest loans and this is reflected in its declining Book Value/Share, which has declined from a high of 5.25 in 2009 to 2.24 in 2014.
- Company's debt burden is quite high and the company could be in serious trouble if remedial action is not taken immediately.
- ESSX has experienced various financial irregularities the last few quarters.
- Company has conducted various related party transactions. These transactions are concerning from a corporate governance perspective.
- Directors and executive receive very high compensation, which in no way reflects the declining operating performance and financial condition of the company.

Executive Summary

- Company leases office space in pricey New York City paying \$11,000 per month. This office space is affiliated to Laurence Levy, Chairman of the Board and we believe it is mainly used by Laurence Levy [Chairman], Edward Levy [Director] and Carol Zelinski [Company Secretary].
- Company's board independence appears to be seriously compromised due to a culture of cronyism.
- Laurence Levy and Edward Levy have a poor performance history while dealing with previous companies.
- They also hold board and executive positions at various companies. This results in their schedules being stretched far to thin for them to contribute effectively to ESSX.
- Our strategy is to elect new directors effective immediately who have substantial industry experience, reduce compensation, renegotiate debt terms and explore strategic alternatives.

AGENDA

Shareholder Value Erosion at ESSX

Compensation Analysis

Financial Irregularities

Strategic Alternatives

Our Nominees vs. Incumbents

Share Price Decline

- Share price plummeted by 83% in just four years
 - From \$7.53 to \$1.24 between April 2011 to 2015



Share Price Decline

- In the last 12 months alone, the decline was 62%



Share Price Decline

- Past 5 years – declined by 82%



Share Price Decline

- Trailing 12 month comparison with S&P 500 and Russell 2000



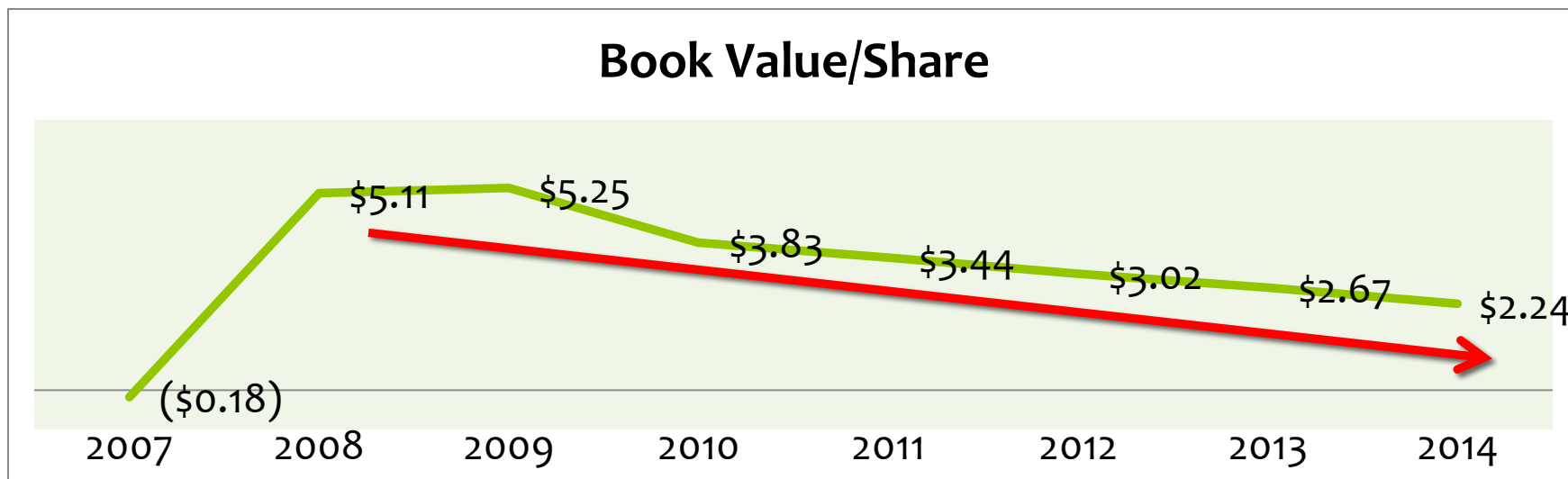
Share Price Decline

- 5yr comparison with S&P 500 and Russell 2000

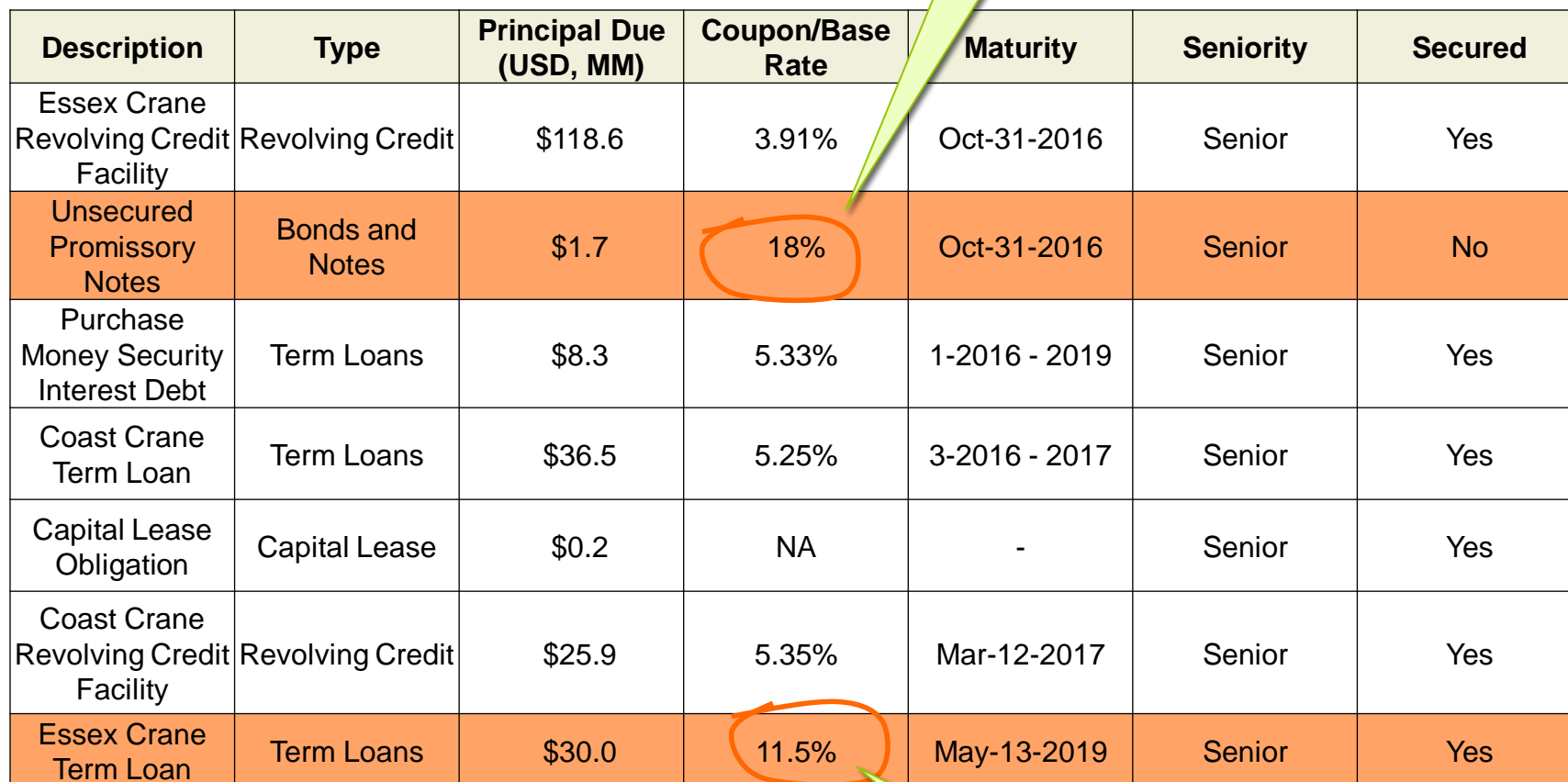


Declining Book Value

- Book Value/Share has declined continuously since 2009
- Declining Book Value due to operating losses
- Book Value would be further adjusted if we consider capitalized costs, off balance sheet operating leases, goodwill



Debt Troubles

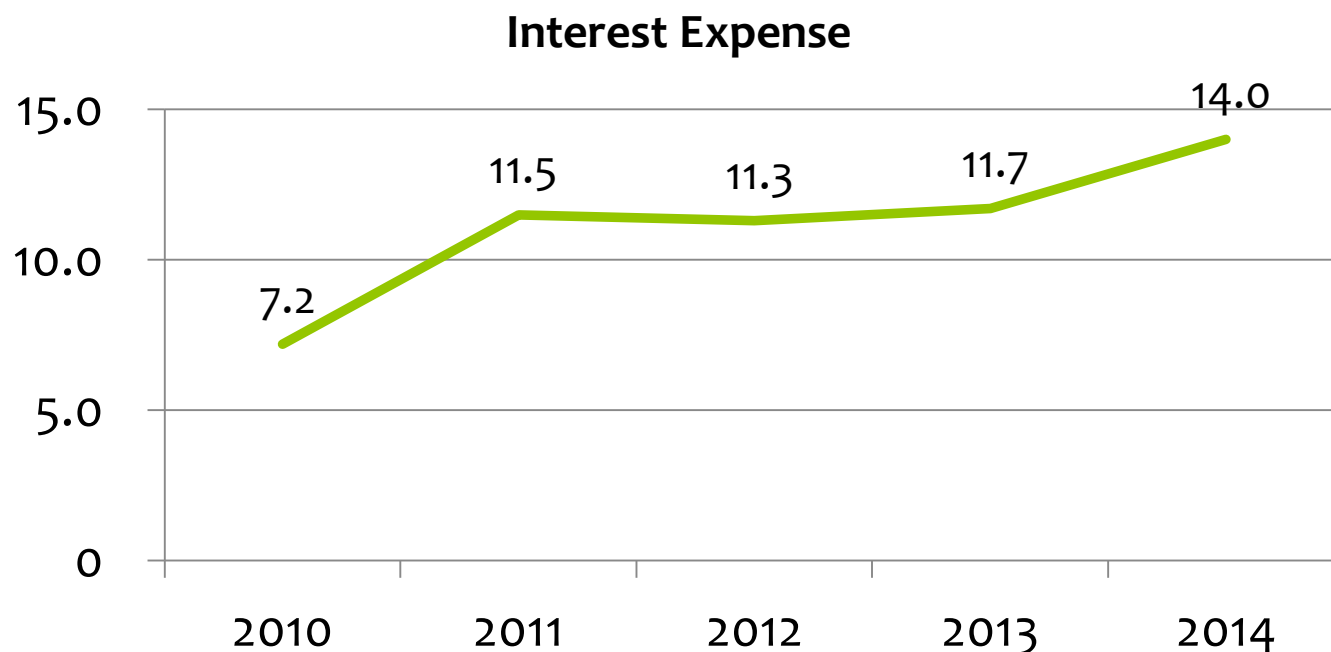


Description	Type	Principal Due (USD, MM)	Coupon/Base Rate	Maturity	Seniority	Secured
Essex Crane Revolving Credit Facility	Revolving Credit	\$118.6	3.91%	Oct-31-2016	Senior	Yes
Unsecured Promissory Notes	Bonds and Notes	\$1.7	18%	Oct-31-2016	Senior	No
Purchase Money Security Interest Debt	Term Loans	\$8.3	5.33%	1-2016 - 2019	Senior	Yes
Coast Crane Term Loan	Term Loans	\$36.5	5.25%	3-2016 - 2017	Senior	Yes
Capital Lease Obligation	Capital Lease	\$0.2	NA	-	Senior	Yes
Coast Crane Revolving Credit Facility	Revolving Credit	\$25.9	5.35%	Mar-12-2017	Senior	Yes
Essex Crane Term Loan	Term Loans	\$30.0	11.5%	May-13-2019	Senior	Yes

Source: CapIQ

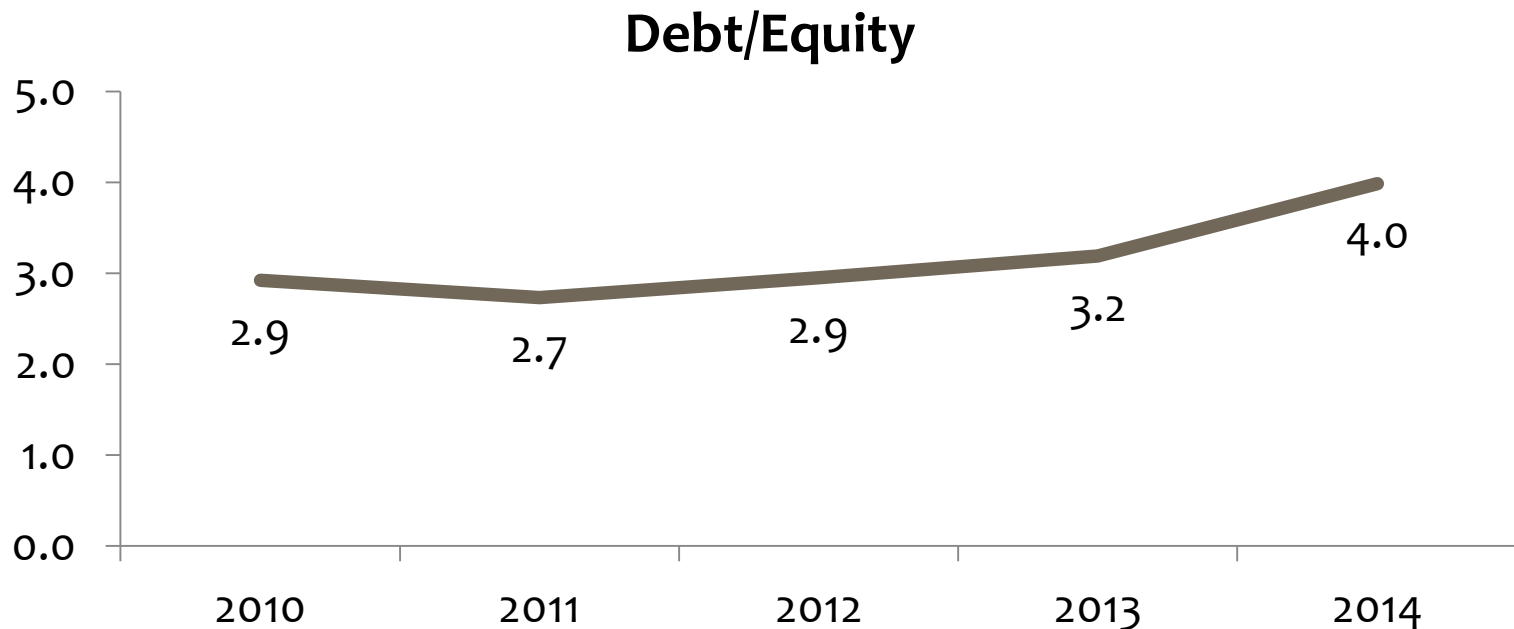
Crumbling under Debt

- Mired in \$221MM debt with rising interest burden
- Obligation to pay an outstanding debt totaling approximately \$3.7MM during 2015



Crumbling under Debt

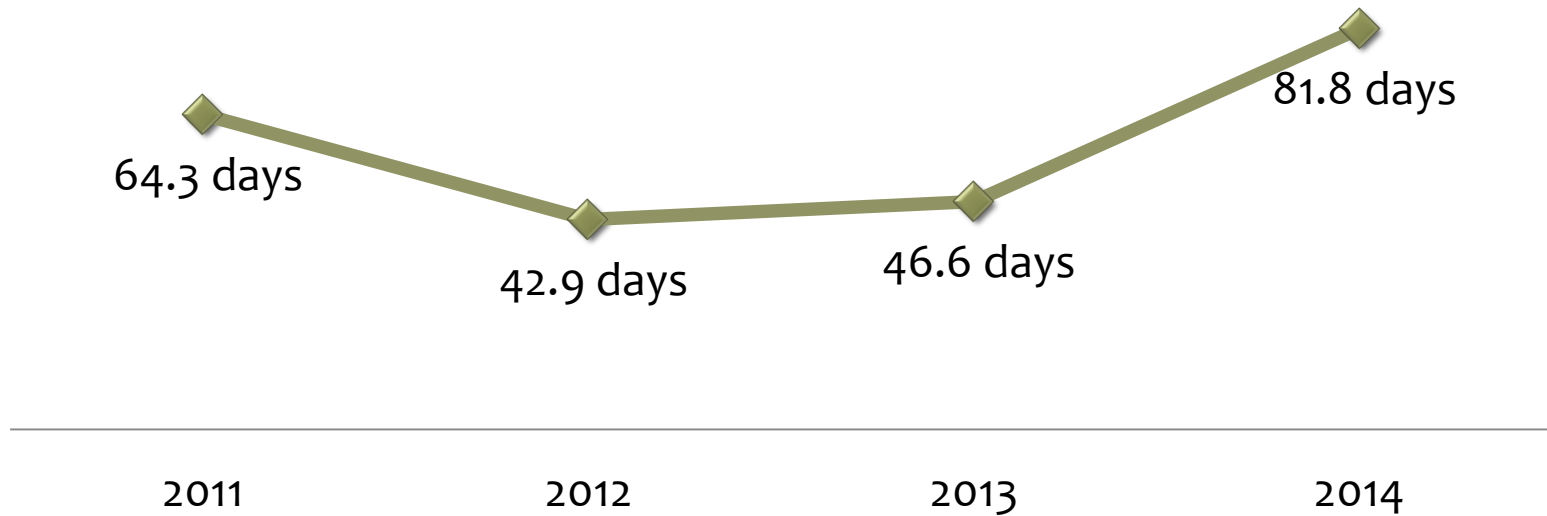
- Debt to Equity ratio increased from 2.9 to 4
- Indicates high use of debt in all the operations
- Reflects no growth opportunities and the inability to generate cash



Cash Conversion Cycle

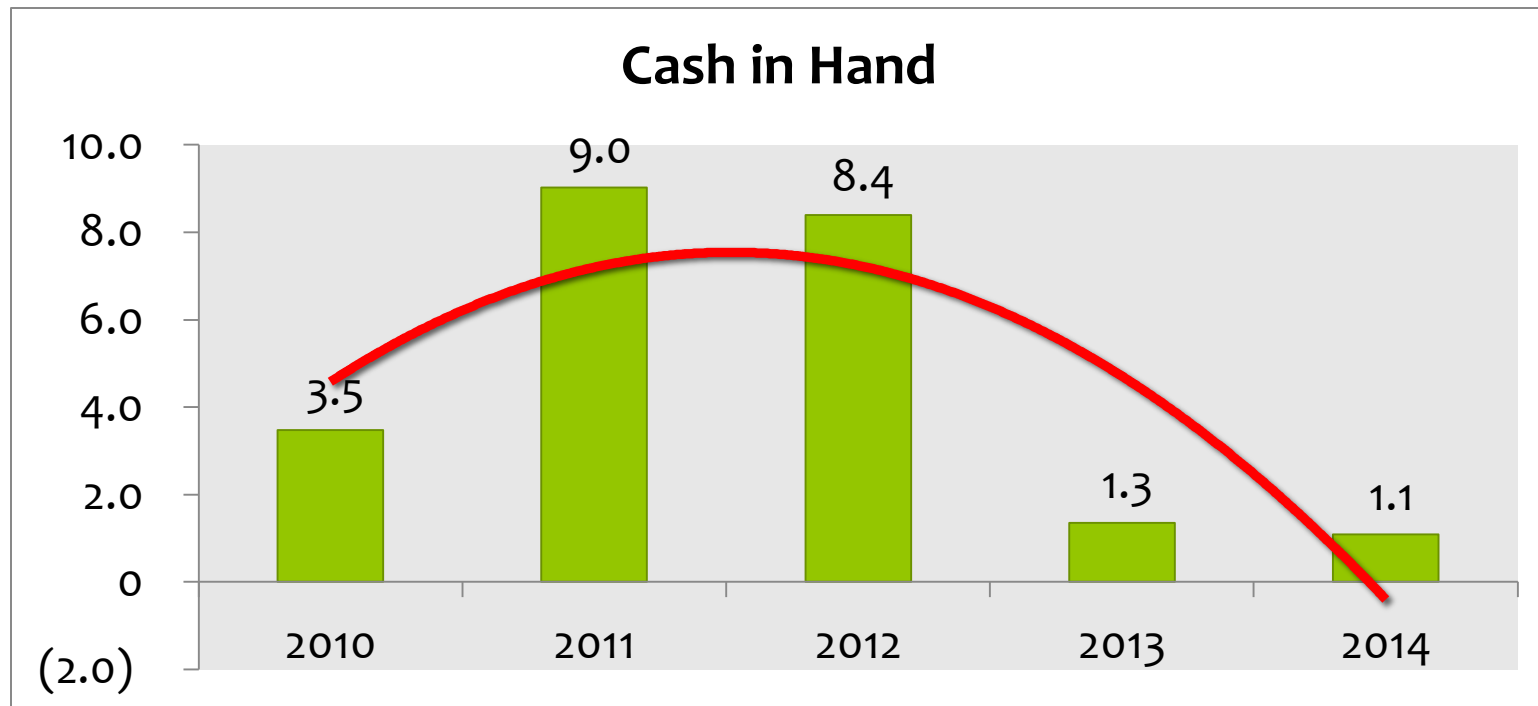
- Cash conversion nearly doubled in 2014
- Indicates inefficient management and poor business understanding

Avg. Cash Conversion Cycle

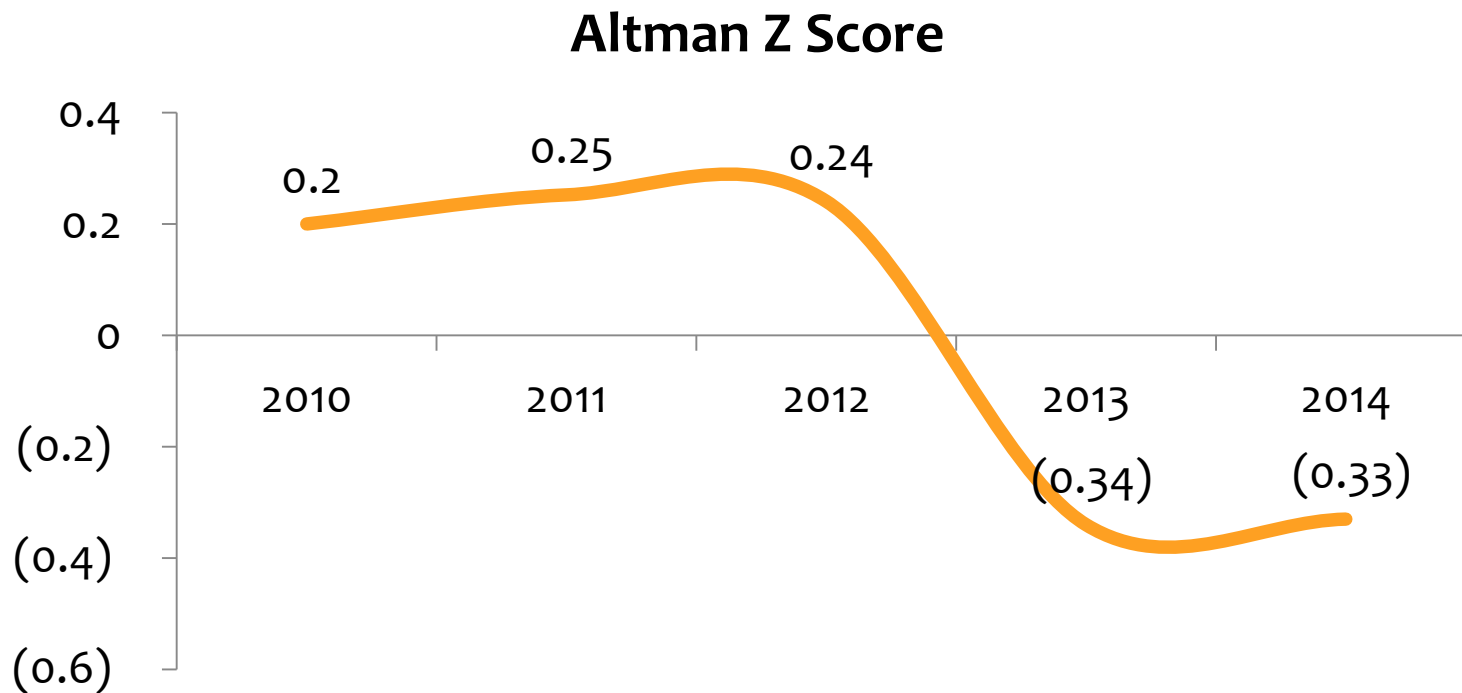


Cash Crunch

- Operating expenses and high debt payments are accelerating the reduction in cash reserves
- Company has a mere \$1.1MM as of Dec 31, 2014



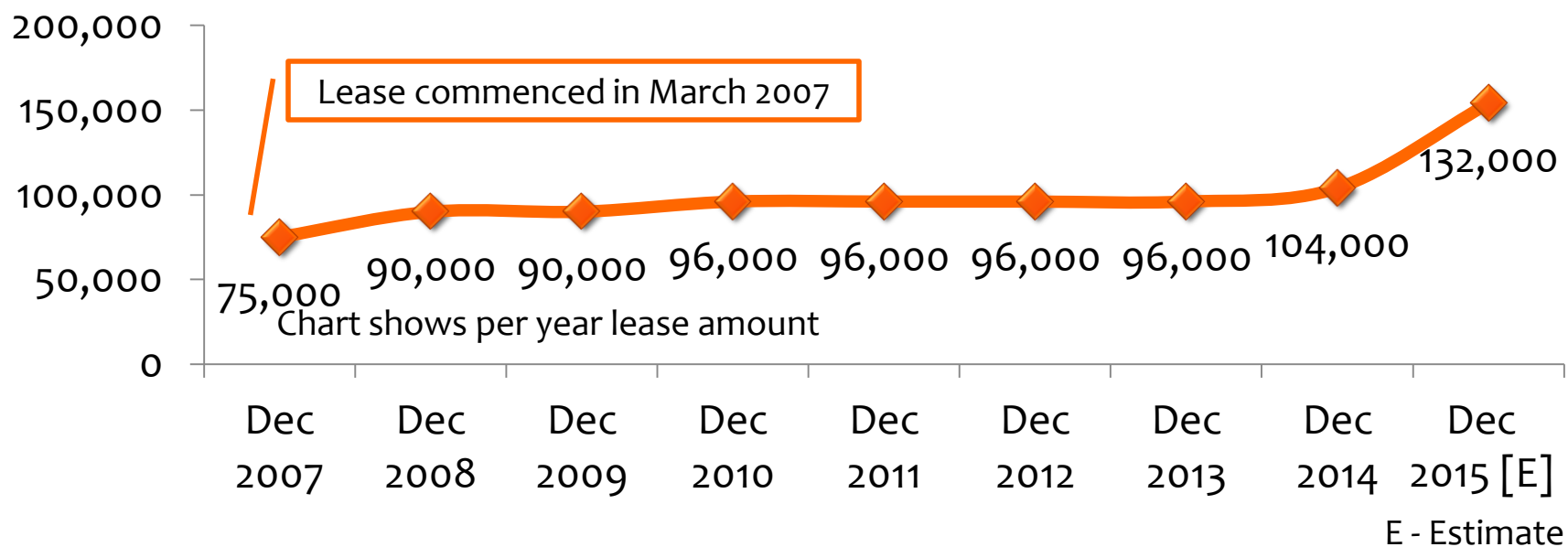
Poor Altman Z Score



Hyde Park Lease – RED FLAG

- Company has leased office space in NY since March 2007 from an entity that is affiliated with Laurence Levy
- It appears that the Company has paid more than \$700,000 to an entity affiliated with Lawrence Levy in order to rent Manhattan office space

Lease



Hyde Park Lease – RED FLAG

Does the company need such an expensive office space in New York City when its headquarters is in Illinois ?

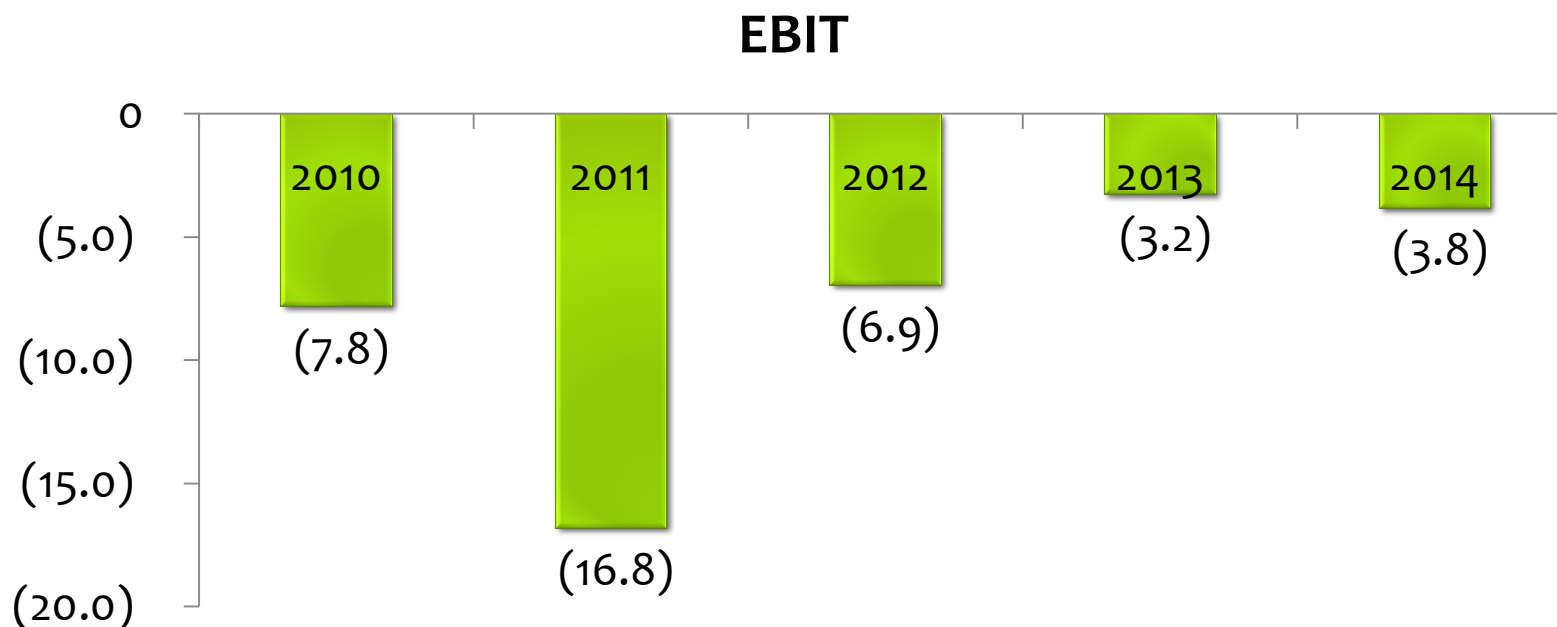
We believe the Manhattan office space is primarily used by the company's corporate Secretary, Carol Zelinski, and Laurence Levy and Edward Levy [See Cronyism slide]

ESSX also reimbursed Hyde Park \$32,000 as of Dec 31, 2014 for certain other administrative support expenses

These are RED FLAGS for any company.

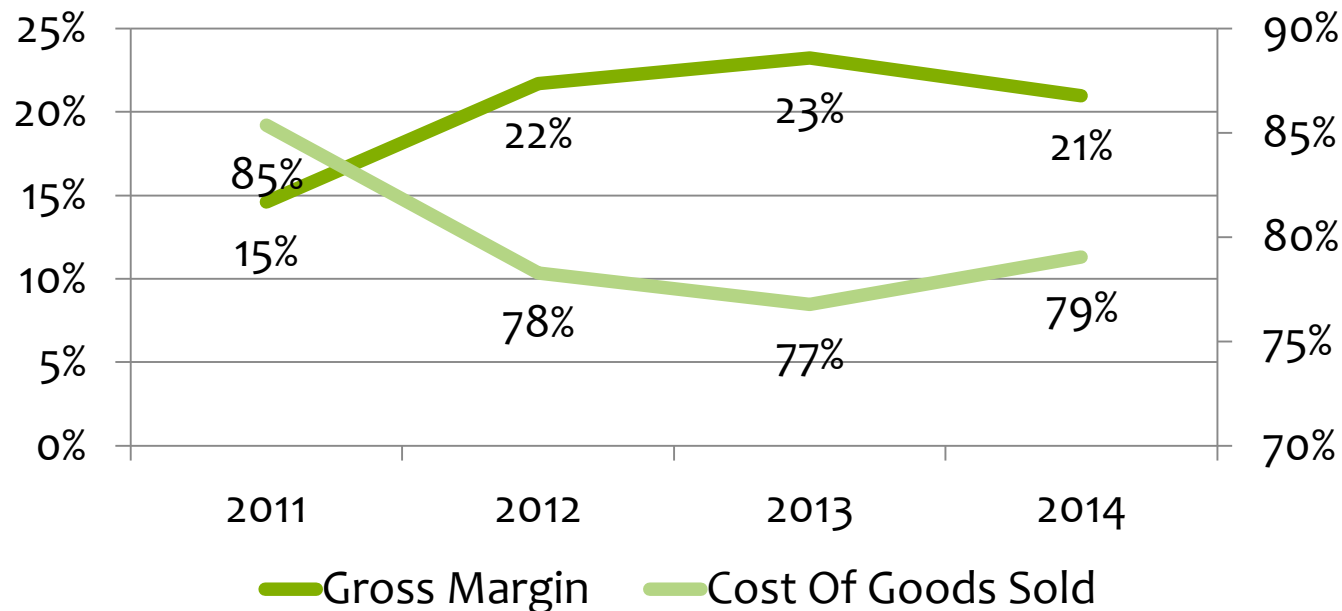
Net Operating Loss/Income

- Company's EBIT has been negative in each of the last 5 years indicating that the board has not been able to rein in the costs

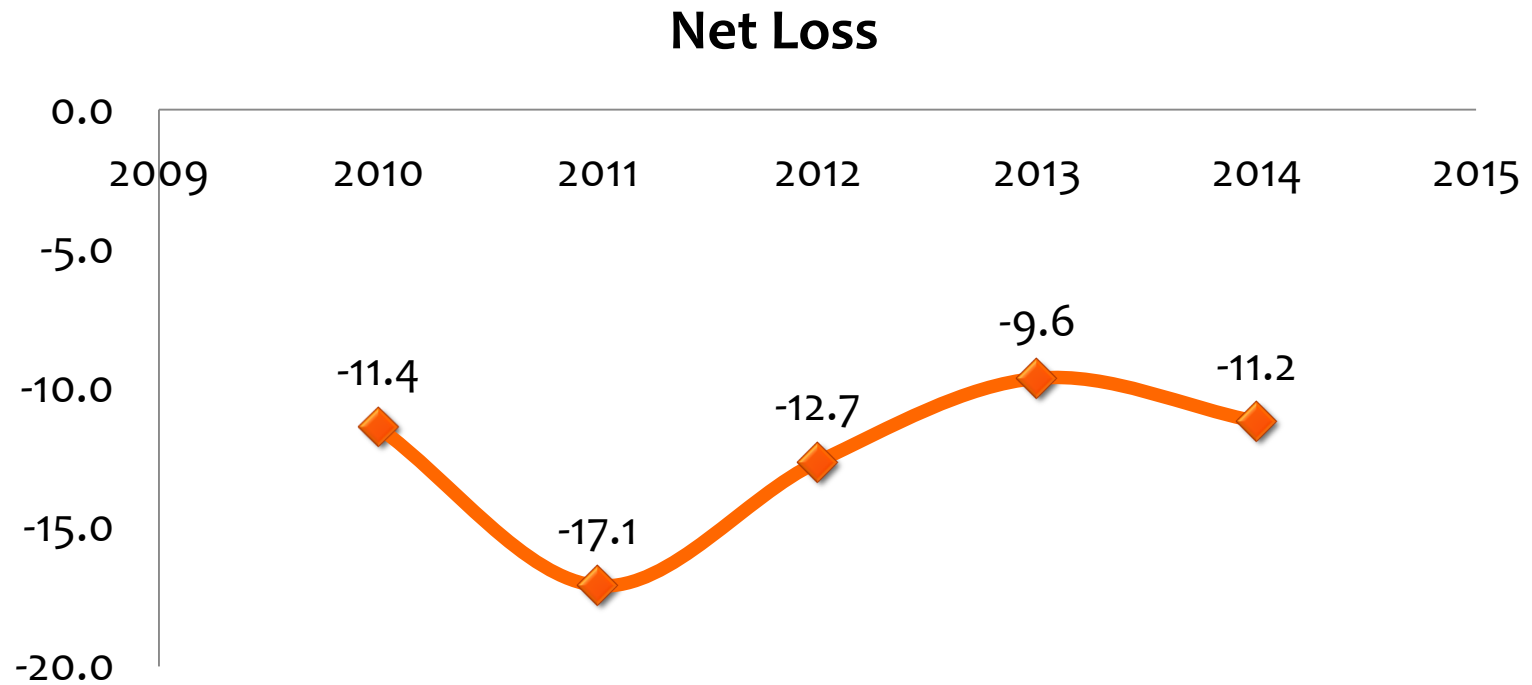


Stagnating Margins

- Increasing COGS has ensured that the Company's margins don't improve.

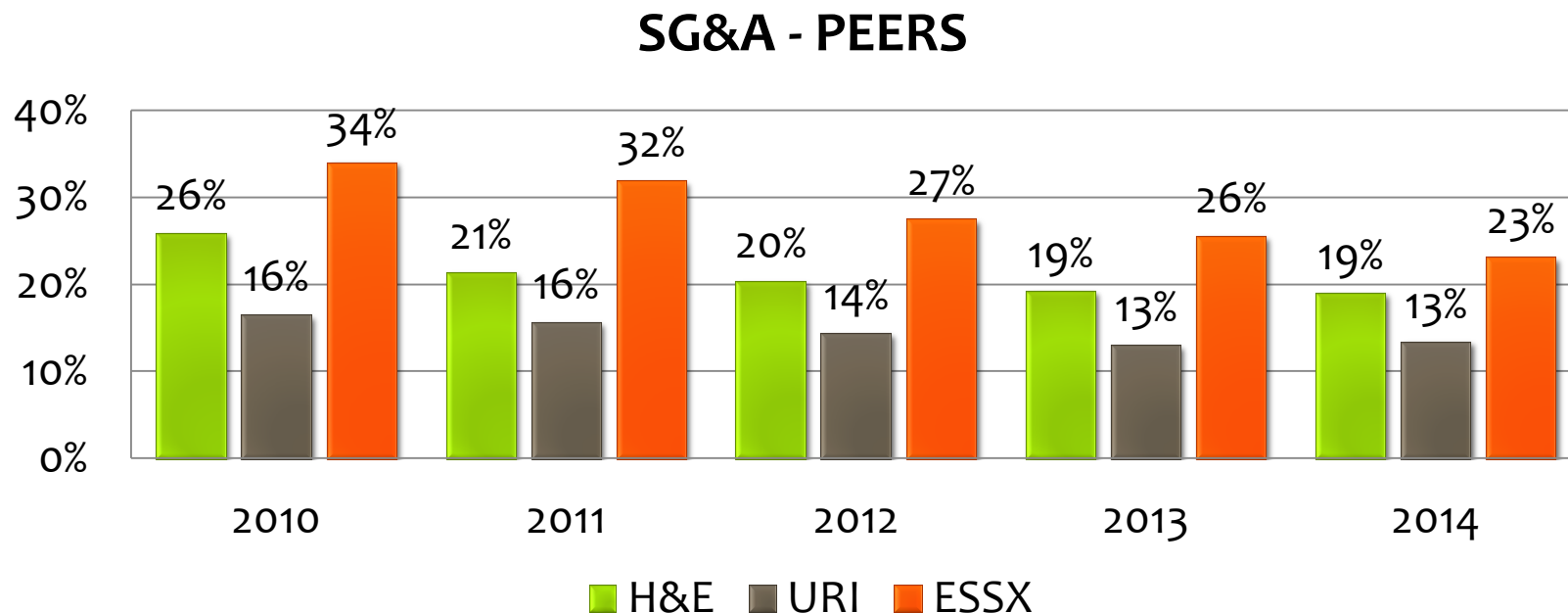


Year After Year of Net Losses



High SG&A Expense

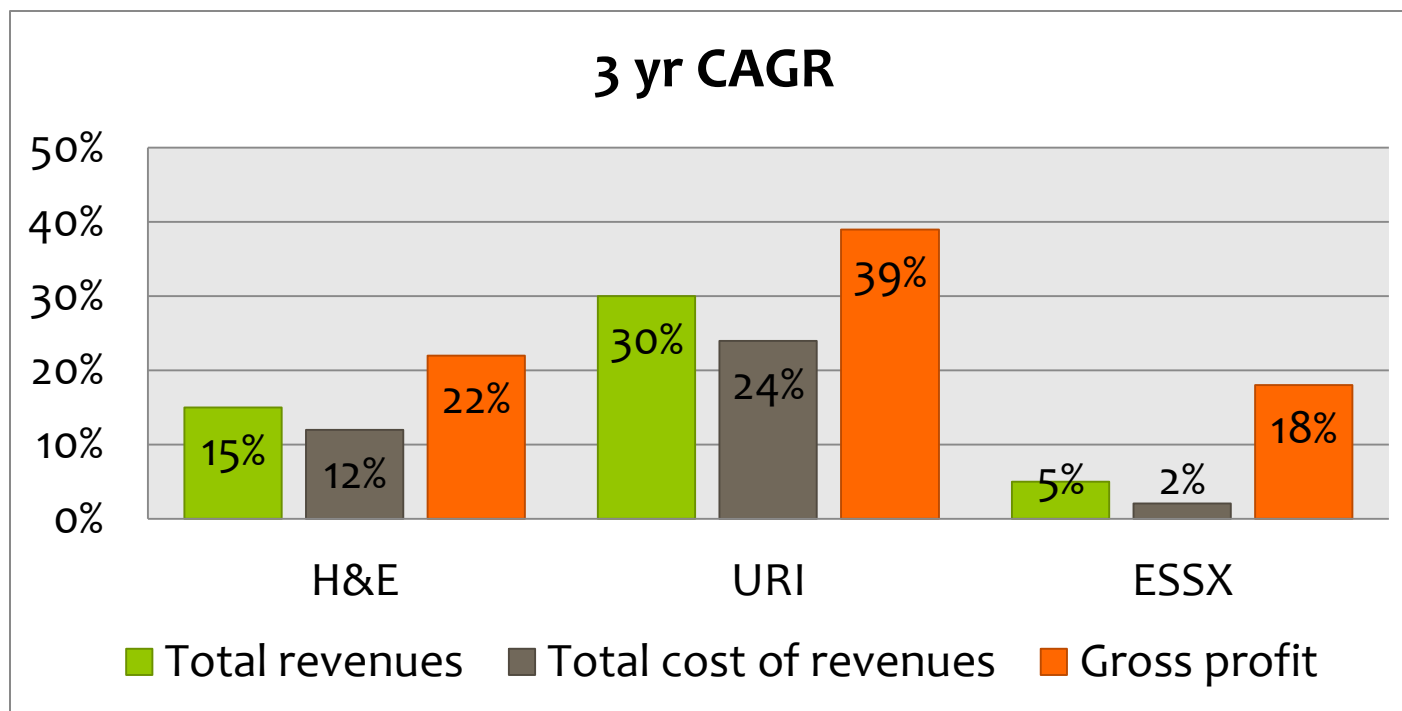
- Compared to some of its peers, ESSX has one of the highest SG&A Expense %s



Note: H&E - H&E Equipment Services Inc; URI - United Rentals, Inc.; ESSX – Essex Rental Corp.

Poor Performance Vs. Peers

- ESSX when compared with its peers has the lowest 3 year compounded annual growth rate (CAGR)



Note: H&E - H&E Equipment Services Inc; URI - United Rentals, Inc.; ESSX – Essex Rental Corp.

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Shareholder Value Erosion at ESSX

Compensation Analysis

Financial Irregularities

Strategic Alternatives

Our Nominees vs. Incumbents

Egregious Director Compensation

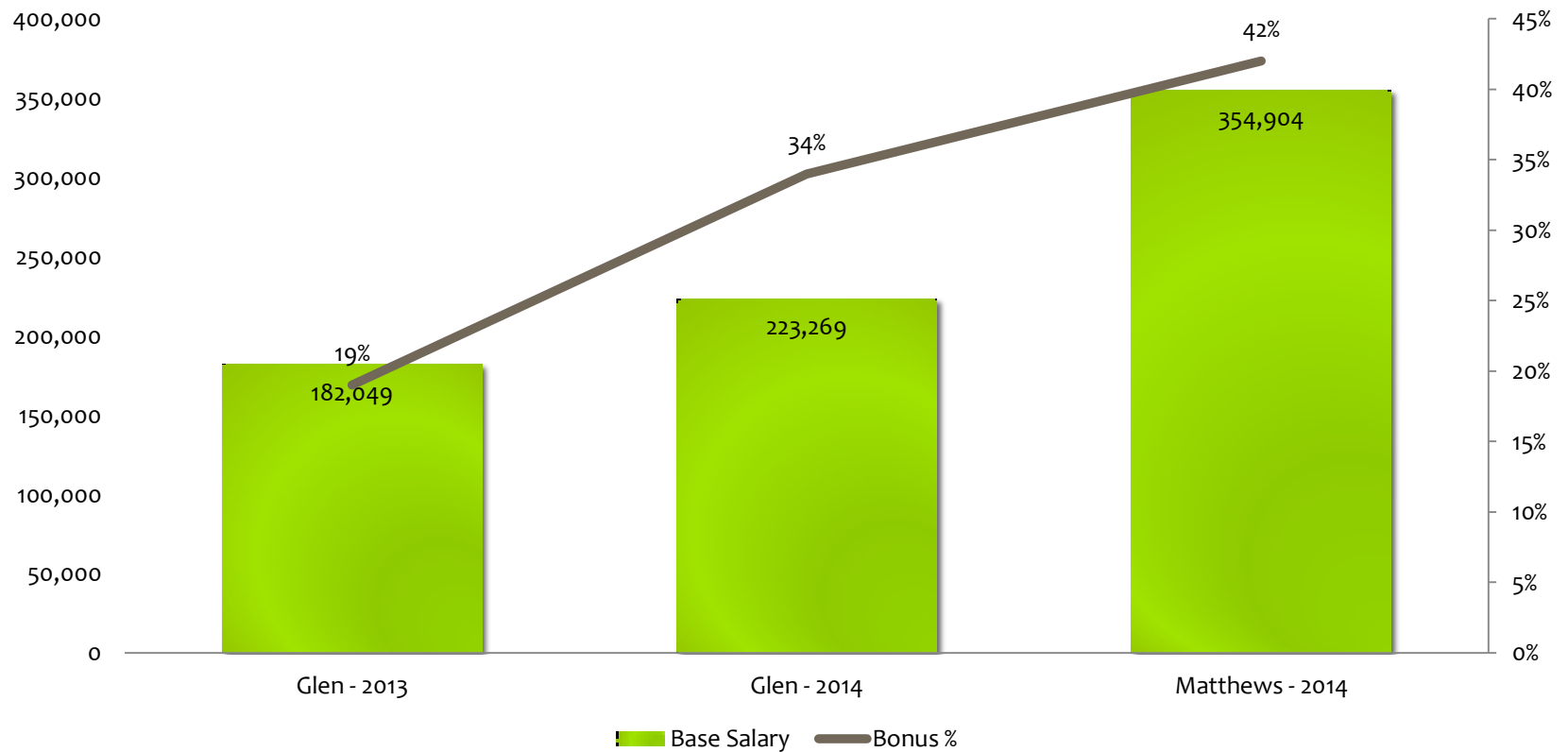
	2010	2014	% Change	
Total non-employee director compensation	\$ 260,000	\$ 600,000	130%	Unreasonably high
Laurence Levy compensation	\$ 65,000	\$ 200,000	207%	
Edward Levy compensation	\$ 65,000	\$ 200,000	207%	
Rent paid to affiliate of Laurence Levy	\$ 96,000	\$ 104,000	8%	
ESSX share price	\$ 5.50	\$ 1.32	-76%	Outrageously low
Book value per share	\$ 4.86	\$ 2.24	-54%	
Market capitalization	\$ 89 Million	\$ 33 Million	-63%	

Justify the Board Compensation

Company's FY2011 EBIT dropped \$10.2 MM to ten year low of \$-16.8 MM

From FY2010 to FY2011 each of Laurence Levy's and Edward Levy's compensation rose over 185%

Excessive Bonus for a Money Losing Company



Board Negatives

- **Legal Proceedings:**

- On January 20, 2004, while Laurence Levy was the Chairman, President and CEO of Regency Affiliates, Inc., a class action lawsuit was filed by two shareholders for various breaches of fiduciary duties
- The case was settled and on July 17, 2009 and Regency paid \$3,000,000 to the plaintiff class

- **Related Party Transactions:**

- The promissory notes from the related party amounted to \$1.8M at 18% interest which is highest among all of the Company's other debt

Cronyism

	Essex Rental Corp.	Rand Logistics, Inc.	Hyde Park Holdings, Inc.	Derby Industries LLC	Regency Affiliates, Inc.
Laurence Levy	Chairman since 2006	Chairman & CEO since 2004	Founder & Chairman since 1986	Chairman & Co-owner since 2000	Chairman, CEO & President since 2002
Edward Levy	Director since 2006	President since 2006	Vice Chairman & Managing Director	Director & Co-owner since 2000	--
Carol Zelinski	Corporate Secretary	Corporate Secretary	Secretary & Analyst since 1997	--	Corporate Secretary since 2003

Board Independence

- Board independence appears to be severely compromised since both Levys have known each other for several years and work together in other companies
- Laurence Levy's and Carol Zelinski's employer-employee relationship at Hyde Park does not augur well for ESSX
- Serious steps must be taken to remedy this situation

Strategic Planning / Finance Committee Failures

- Committee is Co-Chaired by Laurence Levy and Edward Levy
- Financial restatements and debt waivers needed in Q1 2015 due to misclassification of debt cost the Company \$400,000
- Required six debt waivers in the last 3 years to waive events of technical default
- Company has paid \$8,189,000 in loan acquisition costs in last 2 years
- Borrowed \$5.2M from a related party in 2010 at 10% interest. Allowed interest rate to balloon to 18% in 2014
- Issued this same related party 90,000 warrants with strike price of \$0.01
- May 2014 Essex Crane revolver amendment added \$30MM term loan with minimum 11.5% interest
- Essex Crane revolver weighted average interest rate increased 144 bps to 3.91% since 2012

Levys' History

Laurence Levy and Edward Levy, the founders of the blank check company that first acquired Essex Crane in 2008, have a track record of value destruction



Laurence Levy and Edward Levy launched a third blank check company, Hyde Park Acquisition II ("HPAC"), with which they tried and failed to acquire an oil and gas company in 2014, with the proposed merger being rejected by shareholders

Shares of HPAC were subsequently delisted from the Nasdaq Stock Market



Rand Logistics, Inc., another company controlled by Laurence Levy and Edward Levy, was the subject of a proxy contest in 2014. Shares of RLOG reached all-time lows in March 2015



Voting Analysis

- Laurence S. Levy, Chairman of the board received the highest withhold vote in the election held at the annual meeting of shareholders on June 5, 2014

	For	Withhold	Withhold %
Laurence Levy	10,882,339	1,552,713	12.49%
William Fox	11,419,641	1,015,411	8.17%
Nicholas Matthews	12,293,715	141,337	1.14%

- Edward Levy, a Class A Director received the highest withhold vote in the election held at the annual meeting on June 5, 2013

	For	Withhold	Withhold %
Edward Levy	13,409,096	2,727,931	16.90%
Daniel Bulmenthal	15,914,860	222,167	1.38%
John Nestor	15,874,461	262,566	1.63%

Levys compensation as % of Market cap

Total 2014 Payout to Levys	2014
Laurence Levy board compensation	\$ 200,000
Edward Levy board compensation	\$ 200,000
Undisclosed out-of-pocket expense reimbursements	???
Rent paid to affiliate of Laurence Levy	\$ 104,000
Other administrative expenses paid to affiliate of Laurence Levy	\$32,000
Total disclosed amount	\$536,000
Year end 2014 Essex Market cap	\$33,000,000
Minimum 2014 payout to Levys as % of Essex Market Cap	1.6%

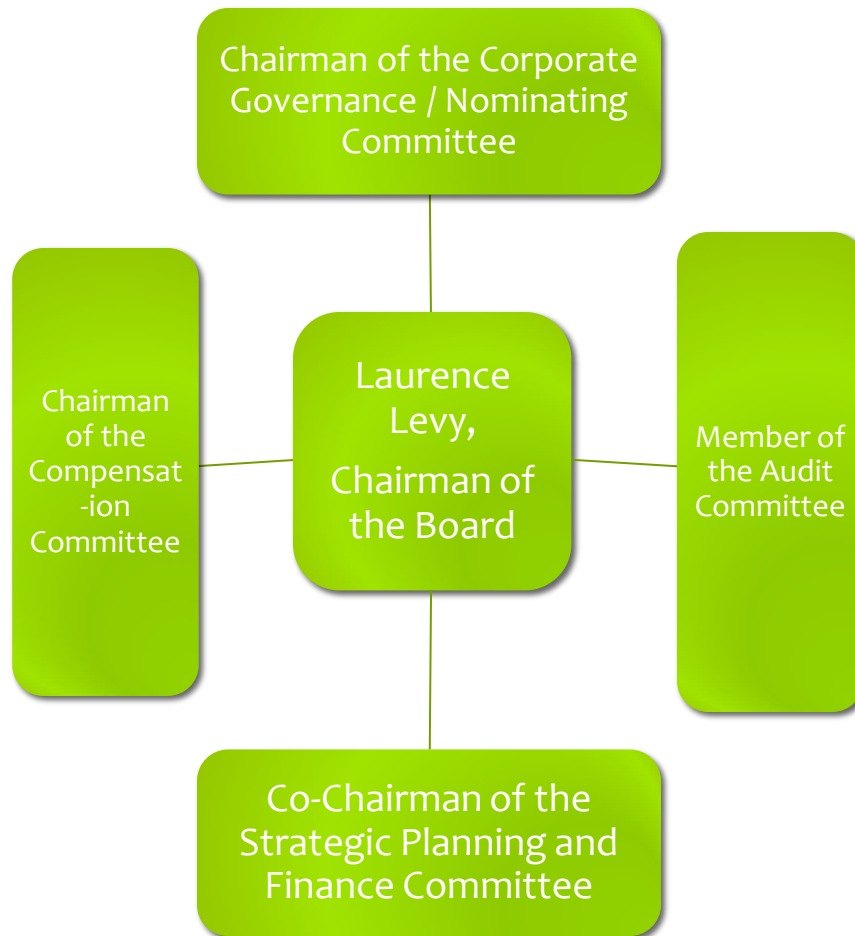
Entrenched Directors

- Some proxy advisory services consider directors who serve for more than seven years to be insiders
- Both Laurence Levy and Edward Levy have been directors at Essx for nine years, since 2006
- Both Laurence Levy and Edward Levy collect \$200,000 in board fees. In addition, they collect in the aggregate \$100,000 in related party transactions and reimbursements
- Finally, they collect an “undisclosed amount” of reimbursement expenses???

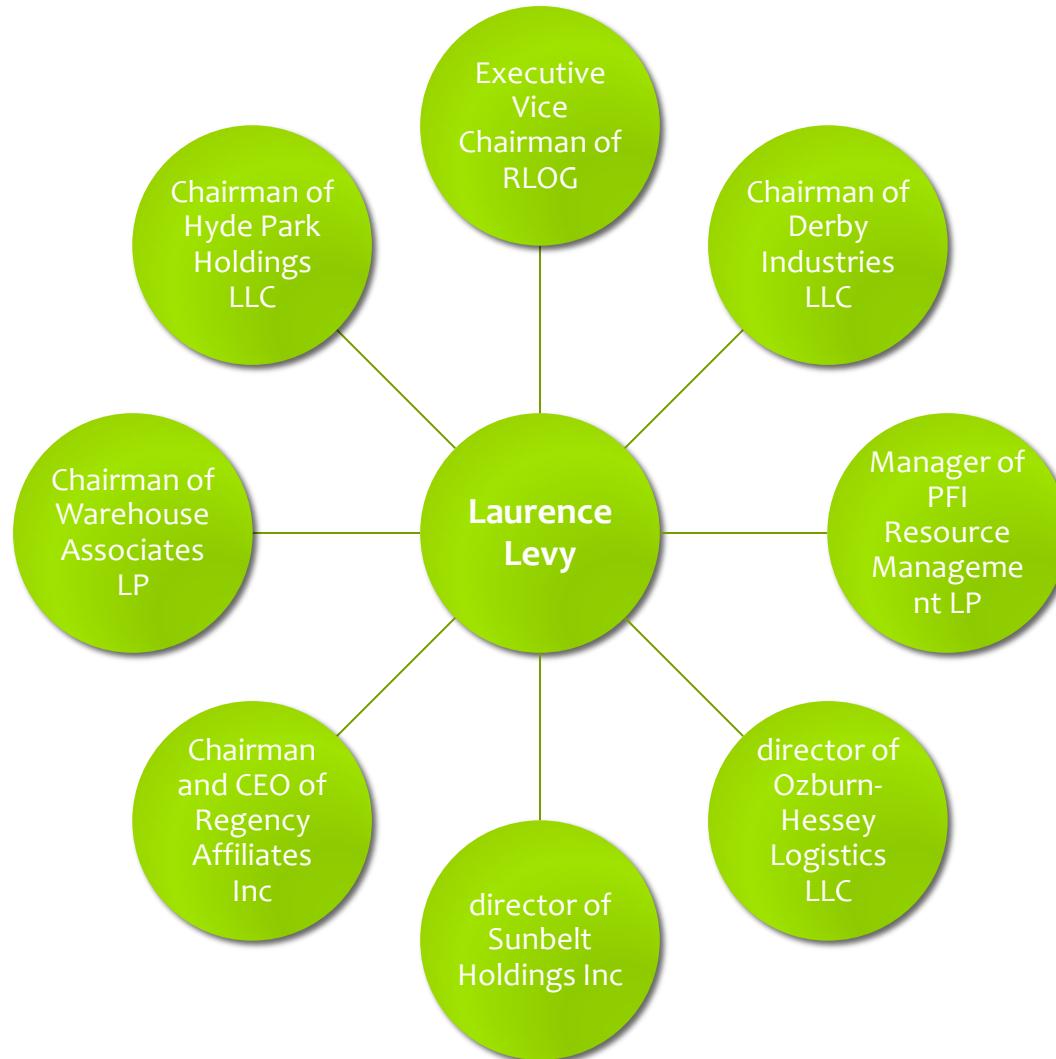
Corporate Governance Failures

- Four of Essex's six directors have backgrounds in private equity and NO rental industry experience.
- We believe Laurence Levy's and Edward Levy's service on every standing committee of the board and the fact that one of them holds every committee chair further demonstrates the company's poor corporate governance practices.
- In addition, Essex still maintains a classified board.

Laurence Levy, Multitasking Much?



Laurence Levy, Multitasking Much?



Edward Levy's Busy Schedule

Internal

Chairman of the Audit Committee

Co-Chairman of the Strategic Planning and Finance Committee

Member of the Compensation Committee

Member of the Corporate Governance / Nominating Committee

External

President and CEO of RLOG

Vice Chairman and Managing Director of Hyde Park Holdings LLC

Managing member of Hyde Park Value Credit Fund

Director of Derby Industries LLC

AGENDA

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Financial Irregularities

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Our Nominees vs. Incumbents

Financial Irregularities

- On March 17, 2015 the company announced its intention to amend certain previously filed quarterly and annual reports due to errors in:
 - Classifying its revolving credit facilities as current or long-term liabilities
 - Financial statement disclosure relating to segment reporting

Restated - Fiscal	Restated - Quarters
December 31, 2013 December 31, 2012 December 31, 2011 December 31, 2010 December 31, 2009 December 31, 2008	March 31, 2013, June 30, 2013, September 30, 2013, March 31, 2014, June 30, 2014, September 30, 2014 Each of its fiscal quarters between and including the fiscal quarter ended March 31, 2009 and December 31, 2012


The company had to delay its Q4 2014 and full year 2014 results, likely because of these problems

Financial Irregularities

Company had to delay its Q4 2014 and 2014 full year results because of these problems

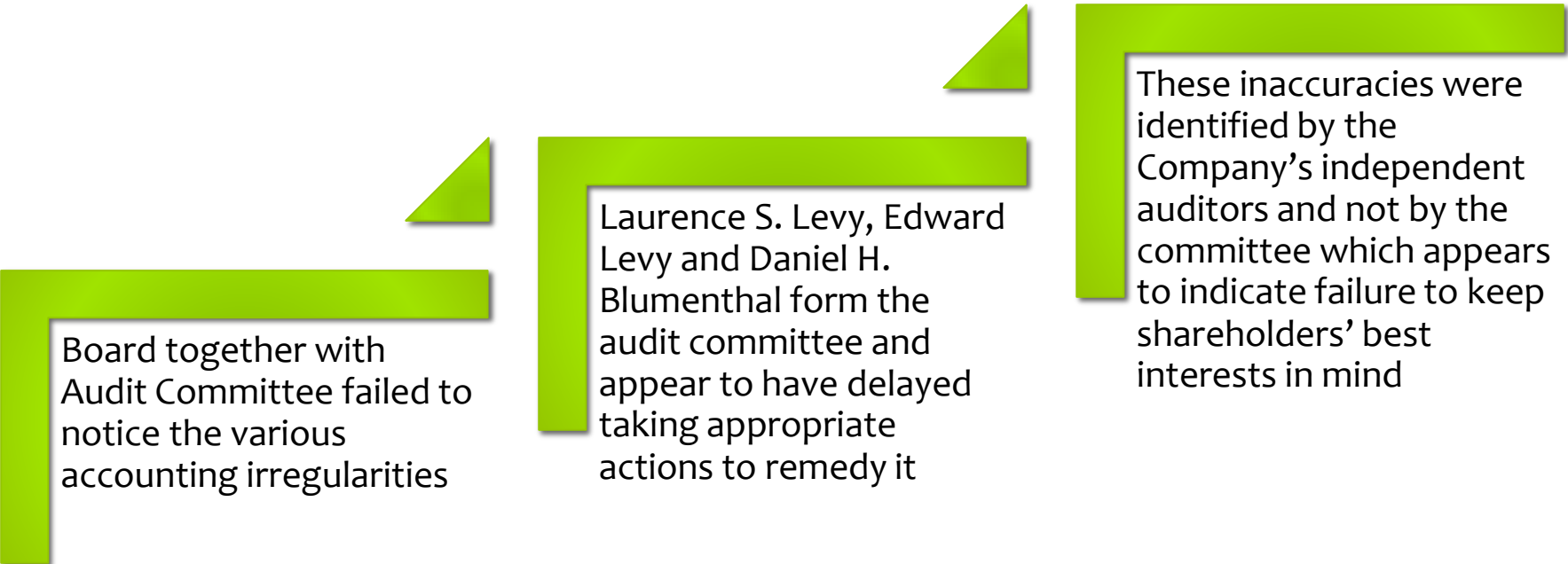


On March 17, 2015, the company also announced material weakness in internal controls over financial reporting existed as of the affected periods noted previous slide



Subsequently, on March 25, 2015, the company's independent registered public accounting firm, Grant Thornton LLP has notified Essex of its intention to resign

Audit Committee Failure – RED FLAG

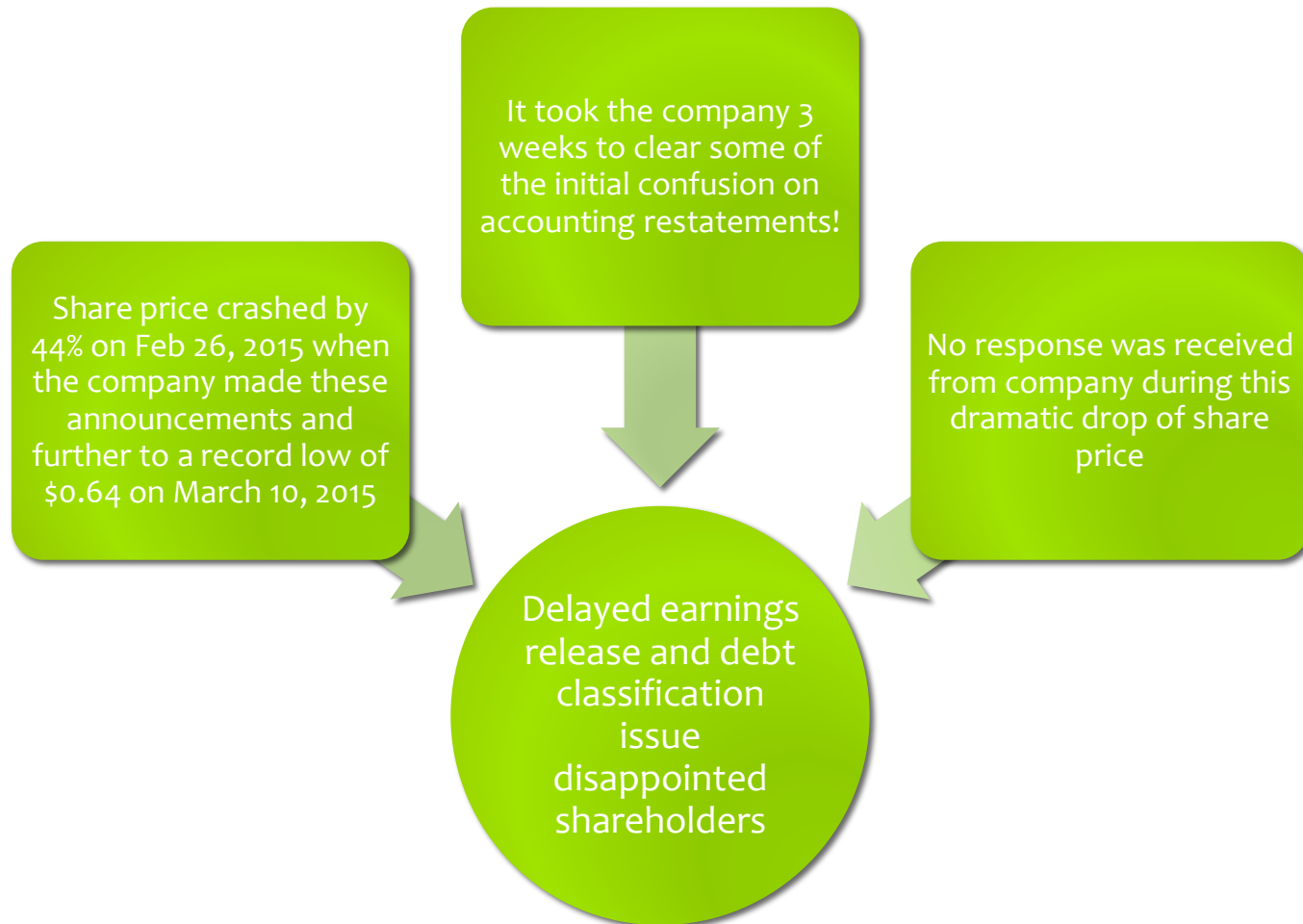


Board together with Audit Committee failed to notice the various accounting irregularities

Laurence S. Levy, Edward Levy and Daniel H. Blumenthal form the audit committee and appear to have delayed taking appropriate actions to remedy it

These inaccuracies were identified by the Company's independent auditors and not by the committee which appears to indicate failure to keep shareholders' best interests in mind

Investors Lose Confidence

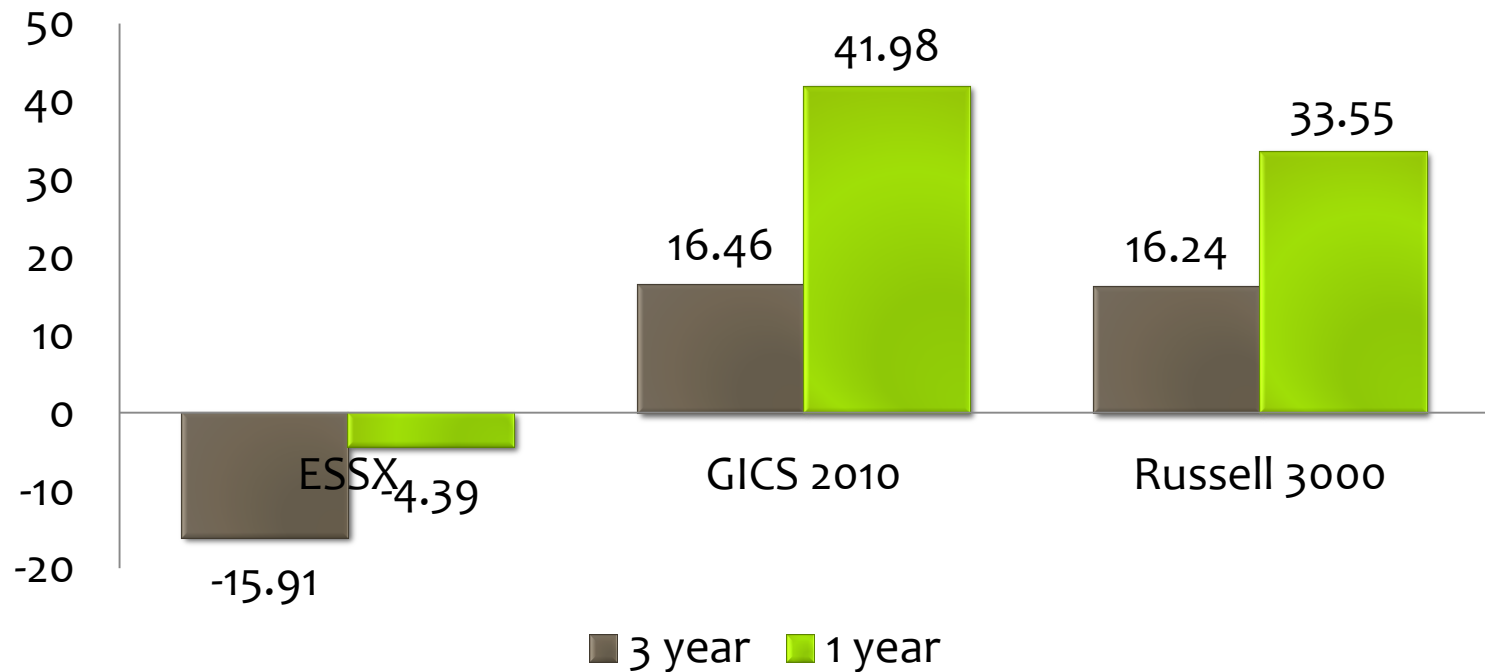


Missed Earnings Guidance

Item	Year	Forecast	Actual
EBITDA*	2014	\$18 million to \$22 million	\$16.2 million
Interest Expense		Approx. \$11 million	\$14 million
EBITDA	2013	\$21 million to \$26 million	\$16.5 million
Interest Expense		approximately \$10 million	\$11.7 million
*EBITDA: Forecast values are before non-cash compensation and non-recurring items and Actual is adjusted EBITDA			


Total Shareholder Return

- ESSX total shareholder return ("TSR") has lagged significantly behind the median of GICS 2010 peer companies and the Russell 3000 Index




Other Areas of Failure

The company has yet to provide any manned rental services despite customer preferences. Its missing out on a key market and revenue source because of this.



The company has failed to disclose a stock performance graph or any other disclosure (graphic or narrative) about the Company's relative performance in its 10-K or DEF14A. Could this be because of its poor performance?



Investors have expressed concerns about related party transactions. The Company's board has not adequately addressed these investor concerns.

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Strategic Alternatives

Our Nominees vs. Incumbents

Strategic Alternatives

- The company needs to seriously explore other avenues by which it can enhance value to shareholders.
- Our nominees experience evaluating all strategic alternatives available to companies

Cross-selling opportunities in customer base and various crane assets

Net loss carry forwards [NOLs] that a profitable company can utilize

Explore alternatives to reduce public company expenses

At December 31, 2014, the Company had unused federal net operating loss carry-forwards totaling approx. \$148.3M that begin expiring in 2021.

At December 31, 2014, the Company also had unused state net operating loss carry-forwards totaling approx. \$77.4M that expire between 2015 & 2034.

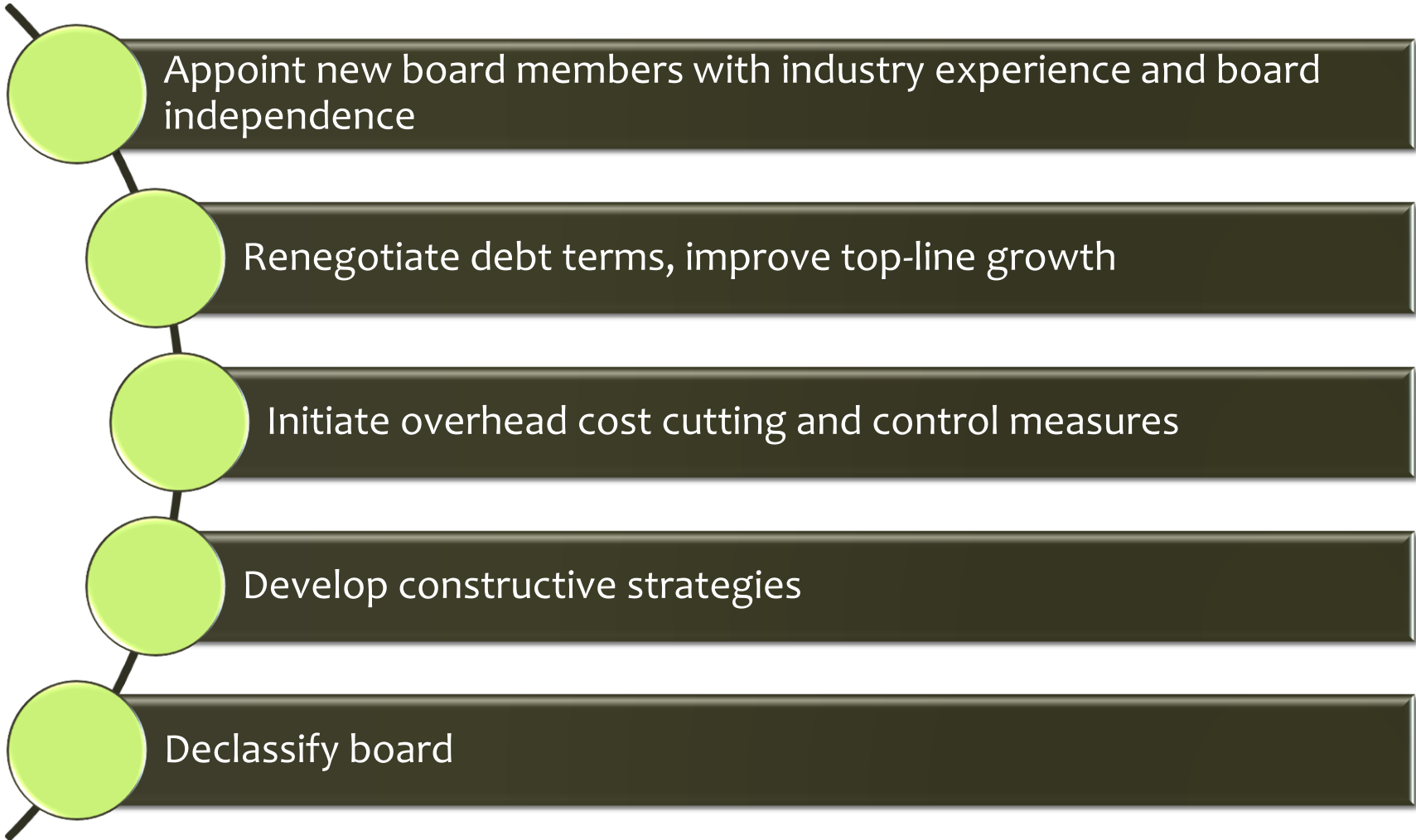
Company undervalued

The company's value is severely discounted when compared to its orderly liquidation value [OLV].

As of Dec 31, 2014, ESSX's OLV of the rental equipment fleet was approximately \$330.1M as shown in the 2014 10-K.

In an ESSX investor presentation released in Dec 2014, the company puts per share value at \$5.27 [based on OLV of \$347M as of Sept 2014]

Our Strategy



AGENDA

Shareholder Value Erosion at ESSX

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Our Nominees vs. Incumbents

Our Nominees vs. Incumbents



Incumbents

- Laurence S. Levy
- Edward Levy
- William W. Fox
- Nicholas J. Matthews
- Thomas A. Ryan, Jr.

Our Nominees

- Lee D. Keddie
- John M. Climaco

Our Nominees vs. Incumbent

Our Nominees

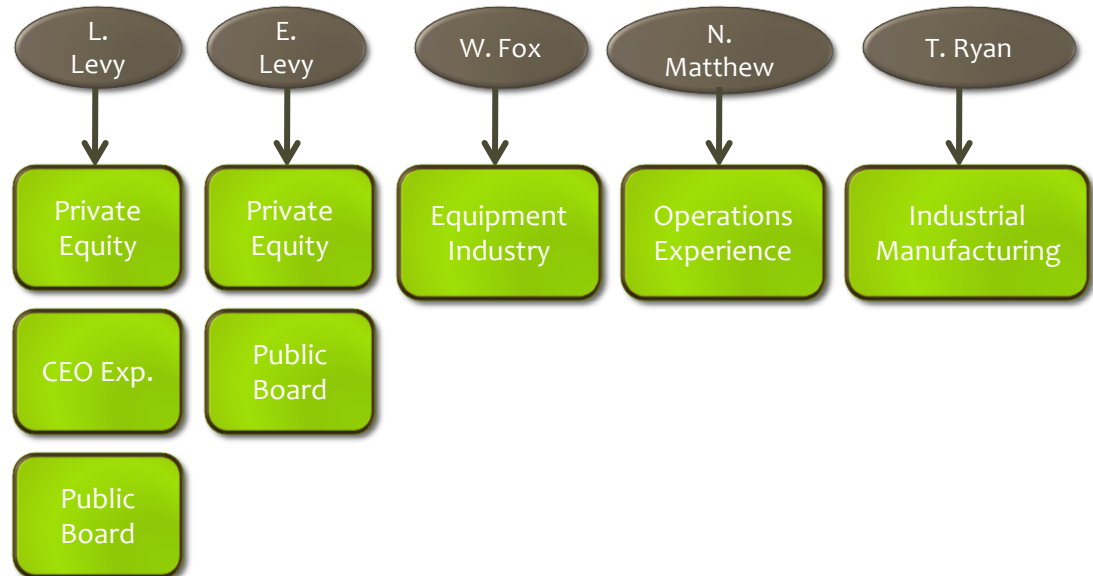
	Lee D. Keddie	John M. Climaco
Experience	Construction Equipment - Over 12 Years Mobile Heavy Equipment Experience, developing OEM agreements and relationships with major Equipment Manufacturers	Cost Cutting – When John M. Climaco joined the board of Digirad, Digirad had been losing money every year for more than seven years in a row. Climaco implemented a dramatic cost-cutting program at Digirad
	Profit Optimization – Grew Business to 24% profitability, with positive earnings over each of the 12 years, even through 2009 recession	Governance – Chairman, Strategic Advisory Committee of Digirad, Director, PESI; Former Director, PDI, Inc. ; Former Director, INFU
	Recession Recovery/Turnaround – Used disciplined cost control to successfully navigate 60% Construction Industry downturn	Close Relationship with Management – Worked cooperatively and constructively with incumbent Digirad management. Management suggested moving the HQ from expensive California to inexpensive Georgia. Climaco championed management’s idea and got the HQ moved.
	Business Growth and Expansion – Grew construction equipment revenue 8X over 12 years through organic business expansion	Returning Cash to Shareholders - After Climaco’s plans at Digirad were fully implemented, Digirad was solidly cash flow positive. Climaco pushed for returning cash to shareholders through a regular quarterly dividend. The dividend was implemented and shareholders reaped the benefit.

Our Nominees vs. Incumbents

Our nominees



Essex Class A & Class B directors



APPENDIX & SOURCES

Source

- Company Filings
- ESSX Investor Presentations
- CapIQ
- Others:
 - <http://rermag.com/mergers-acquisitions>
 - <http://www.equipmentfa.com/news/category/4/3/mergers-acquisitions>
 - <http://rermag.com/rer-100/rer-100-top-rental-equipment-companies-2013>
 - <https://www.aem.org/Construction/CINN/?C=5>
 - <http://www.enermech.com/latest-news/item/691-diversified-acquisition-gives-enermech-cranes-lift-off-in-usa>

Industry Consolidation - examples

Buyer	Seller	Deal Details	Period	Status
BlueLine Rental	Area Equipment LLC	Terms undisclosed	April 2015	Completed
Sunbelt Rentals	GWG Rentals Ltd.	With this acquisition, Sunbelt Rentals made its first foray into Canadian market. Acquisition was valued at £16 million (€20 million). The deal included a deferred consideration of up to £4m (€17.6 million) payable over the next three years depending on profitability.	December 2014	Completed

Industry Consolidation - examples

Buyer	Seller	Deal Details	Period	Status
EnerMech	Diversified Oil Field Services Inc. & Control Valve Technology	Two international deals valued at £4 million in total. This acquisition is aimed to help develop company's crane offering in the USA, Mexico and other Latin American countries like Trinidad, Venezuela and Brazil.	April 2014	Completed
Platinum Equity Partners	Volvo	Volvo Rents Business for a value a little more than \$1 Billion	January 2014	Completed

Industry Consolidation - examples

Buyer	Seller	Deal Details	Period	Status
SBP Holdings, wholly owned subsidiary Bishop Lifting Products	Delta Rigging & Tools	The combined companies will go to market under the brands Bishop Lifting Products, Delta Rigging & Tools, Delta Rentals & Rigging, and Morgan City Rentals. The combined companies operate 23 branches in Texas, Louisiana, Oklahoma, Kansas, Colorado and North Dakota.	Early 2014	Completed
G. Cooper Equipment Rentals Ltd.	Toronto's City Rentals	A Definitive Share Purchase Agreement was signed to acquire all of the outstanding shares of City Rentals Inc.	November 30, 2013	Completed

Industry Consolidation - examples

Buyer	Seller	Deal Details	Time/Period	Status
First Reserve	TNT Crane & Rigging	Terms undisclosed	November 2013	Completed
NES Rentals Holdings Inc.	West Georgia Aerial Lift Inc.	At the time of acquisition, West Georgia had 17 employees and 300 pieces of equipment. Co-Owners of West Georgia continued with the organization.	October 2013	Completed