SIGNATURE GROUP HOLDINGS, INC.
Form 424B5
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Registration No. 333-191020

PROSPECTUS SUPPLEMENT

(To Prospectus dated September 26, 2013, as amended by Post-Effective Amendment dated January 17, 2014)

SIGNATURE GROUP HOLDINGS, INC.

Up to 10,594,773 Shares of Common Stock Issuable Upon Exercise of Rights to Subscribe for Such Shares at $5.64 per Share.

We are conducting a rights offering pursuant to which we are distributing at no charge to the holders of our common stock subscription rights to purchase up to 9,751,773 shares of our common stock (the Rights Offering). Holders of our common stock will receive one subscription right for each share of our common stock owned at 5:00 p.m. in New York City, on January 28, 2015 (the Effective Date). The subscription rights will be transferable prior to their exercise only to the extent that the shares of common stock to which they are attached are transferred from and after the Effective Date. Subscription rights attach to the common stock in respect of which they are issued and will not be separately transferable. Our common stock is traded on the OTCQX Marketplace under the symbol SGGH. On January 28, 2015, the last reported sale price of our common stock was $7.45 per share.

Each subscription right will entitle the holder to purchase 0.562 shares of our common stock at an exercise price of $5.64 per share. Holders will also have oversubscription rights, pursuant to which holders may be able to purchase additional shares of common stock at the exercise price to the extent that holders do not exercise all of the subscription rights. If all of the subscription rights are exercised in this Rights Offering, excluding the subscription rights held by the holders of the warrants described below, the total purchase price of all of our common stock sold in the Rights Offering will be $55 million.

Separately, in this Rights Offering, we are distributing, at no charge to the holders of our 1.5 million warrants (Warrants), subscription rights to purchase an aggregate of 843,000 shares of our common stock. These nontransferable subscription rights are issued pursuant to the terms of the warrant agreements for such Warrants and expire 90 days after the Effective Date. These subscription rights will also entitle the holder of Warrants to purchase 0.562 shares of common stock per Warrant at an exercise price of $5.64 per share. Holders of Warrants will also have oversubscription rights, pursuant to which holders of our Warrants may be able to purchase additional shares of common stock at the exercise price to the extent that holders of our Warrants do not exercise all of the subscription rights available in respect of the Warrants. If all of the subscription rights are exercised by the holders of Warrants in this Rights Offering, the total purchase price for such shares of our common stock will be $4,754,520.

This Rights Offering to our common stockholders is being conducted in connection with the pending acquisition (the GRSA Acquisition) by our wholly owned subsidiary, Real Alloy Holding, Inc. formerly SGH Acquisition Holdco, Inc. (Real Alloy), of all of the equity interests of certain entities, which, together with their subsidiaries (the GRSA Entities), comprise the global recycling and specification alloys business (GRSA) of Aleris Corporation (Aleris). We expect the consideration for the GRSA Acquisition to come from the financings described herein, including this Rights Offering, and cash on hand. This Rights Offering is conditioned upon, and will not close unless, the GRSA Acquisition is consummated. However, this Rights Offering is not contingent upon the other financings described herein. There can be no assurance that the GRSA Acquisition or such financings will be consummated on the terms described herein, or at all. See The GRSA Acquisition and Financings. We reserve the right to cancel this Rights Offering at any time. If this Rights Offering is canceled or if the GRSA Acquisition is not consummated, the exercise price will be promptly returned by mail to exercising holders, without interest or deduction. If the Rights Offering is canceled, the subscription rights will not be exercisable and will have no value. Delivery of purchased shares will take place as soon as practicable after the closing of the GRSA Acquisition.

The subscription rights are exercisable beginning on the date of this prospectus supplement and will expire if they are not exercised by 5:00 p.m. in New York City, on February 17, 2015 (the Expiration Date), unless extended by us from time to time in our sole discretion. Subscription rights that are not exercised by the Expiration Date of the Rights Offering will expire and will have no value.

During the period of the Rights Offering, i.e., following the Effective Date but prior to the Expiration Date, our common stock will trade along with the associated subscription rights as a unit under a new CUSIP 82670K128. Therefore, if a holder transfers shares of common stock during the period of the Rights Offering and prior to the exercise of such subscription right, the subscription rights associated with those shares of common stock will transfer along with the shares of common stock. Following the exercise of the subscription rights, the unit will terminate and the common stock to which the subscription rights had attached will be traded separately from such rights under a separate CUSIP 82670K201. The rights are not separately tradable. Whether or not a holder transfers the underlying common stock to which the subscription rights originally attached subsequent to any exercise of subscription rights, the new common stock in the subscription, and oversubscription as applicable, will be issued to the holder who exercised the subscription rights, and not any subsequent transferee of the underlying common stock. From and after the Expiration Date, our common stock will trade under CUSIP 82670K201.

Holders who exercise their subscription rights will not be entitled to revoke their exercise. Holders who do not exercise their subscription rights will relinquish any value inherent in the subscription rights and their relative ownership level of our outstanding common stock will decrease as a result of the increase in our outstanding common stock resulting from this Rights Offering.

In order to preserve certain of our tax benefits, our bylaws contain restrictions on transfer to prohibit any person, entity or group from becoming a holder of 4.9% or greater of our common stock, the increase in ownership of any existing stockholder who owns 4.9% or greater of our common stock, or certain transfers by a stockholder holding 5% or more of our outstanding shares of common stock. As a result, there are limitations on the exercise of the subscription rights as described in this prospectus supplement.

We are not requiring a minimum individual or overall subscription to complete this Rights Offering. In connection with this Rights Offering, we have engaged Computershare Trust Company, N.A. and Computershare Inc. (together, Computershare) to serve collectively as the rights agent, Georgeson Inc. to serve as information agent and B. Riley & Co., LLC to serve as solicitation agent. The rights agent will hold in escrow the funds we receive from subscribers until we complete or cancel the Rights Offering.

This prospectus supplement is not an offer to sell or a solicitation of an offer to buy any securities other than those being offered in this Rights Offering. For more information, see The GRSA Acquisition and Financings in this prospectus supplement.

This prospectus is not an offer to sell and we are not soliciting an offer to buy in any state or other jurisdiction in which the offer or sale is not permitted, see Plan of Distribution on page S-164 of this prospectus supplement.

Exercising the subscription rights and investing in our common stock involves a high degree of risk. Before buying any shares, you should read the discussion of material risks of investing in our common stock under the caption Risk Factors on page S-37 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus supplement, the accompanying prospectus or the post-effective amendment. Any representation to the contrary is a criminal offense.

The date of this prospectus supplement is January 29, 2015.

ABOUT THIS PROSPECTUS SUPPLEMENT

This document is in three parts. The first part is the prospectus supplement, which describes the specific terms of this Rights Offering, and also adds to and updates information contained in the accompanying prospectus, post-effective amendment and the documents incorporated by reference. The second part is the accompanying prospectus of our predecessor entity, Signature Group Holdings, Inc., a Nevada corporation (Signature Nevada), dated September 26, 2013.

The third part is a post-effective amendment to the accompanying prospectus, dated January 17, 2014, which was filed following a January 2, 2014 statutory merger effected for the purpose of changing Signature Nevada s state of incorporation to Delaware and creating a holding company structure. In the reincorporation, each share of Signature Nevada common stock was automatically converted to a share of common stock of Signature Group Holdings, Inc., a Delaware corporation, or us. In the accompanying post-effective amendment, we adopted the accompanying prospectus as our own prospectus for all purposes of the Securities Act of 1933, as amended (the Securities Act), and the Securities Exchange Act of 1934, as amended (the Exchange Act), and amended it as set forth therein.

Each of the accompanying prospectus and post-effective amendment provide more general information, some of which may not apply to this Rights Offering.

This prospectus supplement, the post-effective amendment and the accompanying prospectus are part of a registration statement on Form S-3 that we filed on September 6, 2013, with the Securities and Exchange Commission (SEC) using a shelf registration process with respect to up to $300,000,000 in securities that may be sold thereunder. Under the shelf process, we may, from time to time, offer or sell any combination of the securities described in the accompanying prospectus in one or more offerings. On December 19, 2014, we sold $28,500,000 in shares of our common stock under this shelf registration.

Generally, when we refer to this prospectus, we are referring to all three parts of this document combined. To the extent there is a conflict between the information contained in this prospectus supplement, on the one hand, and the information contained in the accompanying prospectus, the accompanying post-effective amendment or in any document incorporated by reference that was filed with the SEC before the date of this prospectus supplement, on the other hand, you should rely on the information in this prospectus supplement. If any statement in one of these documents is inconsistent with a statement in another document having a later date for example, a document incorporated by reference in the accompanying prospectus the statement in the document having the later date modifies or supersedes the earlier statement.

The accompanying prospectus and post-effective amendment provide you with a general description of this Rights Offering and the shares of common stock offered by us upon the exercise of the subscription rights. Each time we use the accompanying prospectus and post-effective amendment to offer securities, we will provide a prospectus supplement that will contain specific information about the terms of the offering. The prospectus supplement may also add to, update or change information contained in the prospectus and post-effective amendment. The purpose of this prospectus supplement is to provide supplemental information regarding us in connection with this Rights Offering.

This prospectus supplement, the accompanying prospectus and the accompanying post-effective amendment and the information incorporated herein and thereby by reference include trademarks, service marks and trade names owned by us or other companies. We have pending U.S. federal trademark registration applications for the name Signature Group Holdings and our Signature logo. Aleris is a registered trademark of Aleris. All trademarks, service marks and trade names included or incorporated by reference in this prospectus supplement or the accompanying prospectus are the property of their respective owners.

INDUSTRY AND MARKET DATA

The industry and market data and other statistical information used throughout this prospectus supplement are based on independent industry publications, government publications, reports by market research firms or other published independent sources. Some data is also based on our good faith estimates. Although we believe these sources are reliable, we have not independently verified the information and cannot guarantee its accuracy and completeness.

Some information in this prospectus supplement concerning processing volumes, market demand, and other industry information, including general expectations concerning scrap processing and wrought, cast and specification or foundry alloy aluminum products and aluminum industries, are based on estimates prepared by GRSA using certain assumptions and their knowledge of these industries as well as data from third party sources. These estimates, in particular as they relate to our general expectations concerning the aluminum industry, involve risks and uncertainties and are subject to changes based on various factors, including those discussed under Risk Factors in this prospectus supplement.

TRADEMARKS

This prospectus supplement contains references to our trademarks and service marks and to those belonging to other entities. Solely for convenience, trademarks and trade names referred to in this Rights Offering circular may appear without the ® or ™ symbols, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights or the rights of the applicable licensor to these trademarks and trade names. We do not intend our use or display of other companies trade names, trademarks or service marks to imply a relationship with, or endorsement or sponsorship of us by, any other companies.

NON-GAAP FINANCIAL INFORMATION

A non-GAAP financial measure is a numerical measure of historical or future financial performance, financial position or cash flows that excludes amounts, or is subject to adjustments that have the effect of excluding amounts, that are included in the most directly comparable measure calculated and presented in accordance with accounting principles generally accepted in the United States (GAAP) in the balance sheets, statements of operations, or statements of cash flows; or includes amounts, or is subject to adjustments that have the effect of including amounts, that are excluded from the most directly comparable measures so calculated and presented. Earnings before interest, taxes, depreciation and amortization (EBITDA), Adjusted EBITDA, Standalone Adjusted EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Adjusted Earnings (Loss) from Continuing Operations and contribution margin are not financial measures recognized under GAAP. These metrics are presented and discussed because management of each of the Company and GRSA believes they enhance the understanding of the financial performance of the Company s and GRSA s operations by investors and lenders. As a complement to financial measures recognized under GAAP, management believes that EBITDA, Adjusted EBITDA, Standalone Adjusted EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Adjusted Earnings (Loss) from Continuing Operations and contribution margin assist investors who follow the practice of some investment analysts who adjust GAAP financial measures to exclude items that may obscure underlying performance and distort comparability. Because EBITDA, Adjusted EBITDA, Standalone Adjusted EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Adjusted Earnings (Loss) from Continuing Operations and contribution margin are not measures recognized under GAAP, they are not intended to be presented herein as a substitute for earnings (loss) from continuing operations, net earnings (loss), net income attributable to Aleris or segment income, as an indicator of operating performance. EBITDA, Adjusted EBITDA and contribution margin are primarily performance measurements used by our senior management and Board of Directors (the Board) and GRSA s management to evaluate certain operating results.

We and GRSA calculate EBITDA as earnings (loss) from continuing operations attributable to Signature Group Holdings, Inc. or net income attributable to Aleris, as applicable, before interest, taxes, depreciation and amortization, or EBITDA, which is then adjusted to remove or add back certain items in the calculation of Adjusted EBITDA, Standalone Adjusted EBITDA and Pro Forma Adjusted EBITDA. These items are identified below in the reconciliations of earnings (loss) from continuing operations attributable to Signature Group Holdings, Inc. or net income attributable to Aleris, as applicable, to EBITDA, Adjusted EBITDA, Standalone Adjusted EBITDA and Pro Forma Adjusted EBITDA. Segment income is the GAAP measure most directly comparable to Segment Adjusted EBITDA and Segment Standalone Adjusted EBITDA. We calculate contribution margin as revenues less the cost of raw materials and freight expense included in sales.

Our calculation of EBITDA, Adjusted EBITDA, Standalone Adjusted EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Adjusted Earnings (Loss) from Continuing Operations and contribution margin may be different from the calculation used by other companies for non-GAAP financial measures having the same or similar names; therefore, they may not be comparable to other companies. See Summary Summary Pro Forma Combined and Consolidated Historical Financial and Other Data of Signature and Summary Combined and Consolidated Historical Financial and Other Data of GRSA for reconciliations of EBITDA, Adjusted EBITDA, Standalone Adjusted EBITDA, Pro Forma Adjusted EBITDA, Pro Forma Adjusted Earnings (Loss) from Continuing Operations and contribution margin to the most comparable GAAP measure for each.

FORWARD-LOOKING STATEMENTS

In addition to historical information, this prospectus supplement, the accompanying prospectus and post-effective amendment, the documents incorporated by reference in this prospectus supplement, the accompanying prospectus, the accompanying post-effective amendment, any issuer free writing prospectus and any other written or oral statement by or on our behalf contain forward-looking statements within the meaning and protections of Section 27A of the Securities Act and Section 21E of the Exchange Act, that are based on our management s beliefs and assumptions and on information currently available to our management. Forward-looking statements include statements with respect to our beliefs, plans, objectives, goals, expectations, anticipations, assumptions, estimates, intentions, and future performance, and involve known and unknown risks, uncertainties and other factors, which may be beyond our control, and which may cause our actual results, performance or achievements to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements.

All statements other than statements of historical fact are statements that could be forward-looking statements. These forward-looking statements can be identified by the use of words such as believes, anticipates, expects, intends, plans, projects, strategy, target, indicates, e assumes, may, should, will, likely, could or other similar expressions.

Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results, performance or achievements to differ materially from the forward-looking statements. These forward-looking statements are based on our current beliefs, intentions and expectations. These statements are neither guarantees nor indicative of future performance. Important assumptions and other important factors that could cause changes in our financial condition or results of operations or could cause actual results to differ materially from those forward-looking statements include, but are not limited to:

the timing and completion of the GRSA Acquisition, the satisfaction or waiver of the closing conditions for the GRSA Acquisition, or any other failure to close the GRSA Acquisition;

our ability to obtain the funding under the Financings (as defined below) necessary to complete the GRSA Acquisition or the terms of any such Financings or that, if the Financings are successful, any inability to utilize the funds raised efficiently;

the incurrence of the indebtedness in the Financings, our high leverage, substantial debt, security interests in our assets and, in the case of such indebtedness and the Series B Preferred Stock comprising a portion of the Financings, restrictive covenants that restrict the operation of our business and the business of our subsidiaries;

the fees, interest and other costs associated with the Financings borne by us and our affiliates while awaiting the completion of the GRSA Acquisition;

any adjustments to the sale price of, or continuing liabilities associated with, our formerly wholly owned subsidiary, NABCO (as defined below), and the amount of proceeds of such sale available to contribute to the funding of the GRSA Acquisition;

changes to our business, operations and organizational structure as a result of the GRSA Acquisition and our ability to successfully integrate the GRSA business;

uncertainty regarding our expected financial performance following completion of the GRSA Acquisition;

our ability to use federal and state net operating loss tax carryforwards (NOLs) and recognize future tax benefits, including in connection with the NABCO Sale, the GRSA Acquisition and the Financings;

disruption in relationships with customers, employees and suppliers relating to our GRSA business and our non-GRSA business as a result of the GRSA Acquisition;

changes in domestic and international demand for recycled aluminum, including in the automotive, aerospace, building and construction, consumer packaging, and steel and durable goods manufacturing industries;

the cyclical nature of the aluminum industry, material adverse changes in the aluminum industry or end-use segments, such as global and regional supply and demand conditions for aluminum and aluminum products, and changes in our customers industries;

commodity price fluctuations in the aluminum market and our ability to enter into effective commodity derivatives or arrangements to manage effectively our exposure to such commodity price fluctuations;

our ability to successfully identify, acquire and integrate additional companies and businesses that perform and meet expectations after completion of such acquisitions;

our ability to achieve future profitability;

our ability to control operating costs and other expenses;

our ability to service our debt including all indebtedness incurred in the Financings and secure additional financing;

our ability to get listed on a national stock exchange, such as the NASDAQ;

our ability to obtain the expected benefits of our January 2014 holding company reincorporation from Nevada to Delaware;

our dependence, as a holding company, on funding from our operating subsidiaries;

general economic conditions may be worse than expected;

competition among other companies with whom we compete may increase significantly;

the loss of key personnel or the ability to cost-effectively attract, retain and motivate key personnel;

our ability to maintain disclosure controls and procedures and internal control over financial reporting to ensure timely, effective and accurate financial reporting, and to integrate GRSA into our disclosure controls and procedures and internal control over financial reporting;

changes in accounting policies and practices, as may be adopted by regulatory agencies and other organizations, including without limitation the SEC and the Financial Accounting Standards Board (FASB);

changes in laws or government regulations or policies affecting the legacy businesses related to residential mortgage lending and servicing, which are now a part of discontinued operations;

the impact of current or new litigation matters, or changes in litigation strategies brought against our current businesses, GRSA or our subsidiary SGGH, LLC s former businesses; and our ability to successfully defend against demands by investment banks for defense, indemnity and contribution where the banks have been sued in actions concerning their activities relating to securitizations involving loans originated by SGGH, LLC s former businesses.

Given these uncertainties, prospective investors are cautioned not to place undue reliance on forward-looking statements. All forward-looking statements set forth herein are qualified by these cautionary statements and are made only as of the date of this prospectus supplement. We undertake no obligation to update or revise the information contained herein including, without limitation, any forward-looking statements whether as a result of new information, subsequent events or circumstances, or otherwise, unless otherwise required by law.

QUESTIONS AND ANSWERS ABOUT THIS RIGHTS OFFERING

This section highlights information contained elsewhere or incorporated by reference in this prospectus supplement. This section does not contain all of the important information that you should consider before exercising your subscription rights and investing in our common stock. You should read this entire prospectus supplement carefully.

Q: What are we offering in this prospectus supplement?

A: We are conducting a rights offering and issuing at no charge one subscription right with respect to each share of our common stock outstanding as of the close of business on January 28, 2015 the Effective Date. Through this prospectus supplement, we are offering the shares of common stock that holders of subscription rights may purchase upon exercise of their subscription rights.

Q: Who may participate in this Rights Offering?

A: We distributed subscription rights to the holders of record of our common stock that was outstanding as of the close of business on January 28, 2015 the Effective Date. Since the subscription rights attach to these shares of our common stock and trade with them until they are exercised or the Expiration Date February 17, 2015, any purchaser or other transferee of these shares of common stock after the Effective Date and prior to the expiration or termination of this Rights Offering or the exercise of such attached subscription rights will be permitted to exercise the subscription rights attached or stapled to such shares of our common stock.

Q: What is the subscription right I am entitled to for each subscription right?

A: Each subscription right carries with it a basic subscription right to purchase 0.562 shares of our common stock and an oversubscription right to purchase shares remaining available for subscription at the Expiration Date February 17, 2015.

Q: What is the basic subscription right each subscription right gives me the right to purchase?

A: Each subscription right issued under this Rights Offering entitles you to purchase 0.562 shares of our common stock at an exercise price of $5.64 per share. You may exercise any number of your subscription rights, or you may choose not to exercise any of the subscription rights issued to you. We will not distribute any fractional shares, but instead will round fractional shares up to the nearest whole share of common stock.

Q: What is the oversubscription right associated with each subscription right?

A: If all of our stockholders do not exercise all of the subscription rights issued to them in this Rights Offering, then each holder who has exercised subscription rights in full may have the opportunity to purchase additional shares of our common stock at $5.64 per share under the oversubscription right. By extending oversubscription rights to our stockholders, we are providing those holders who have exercised all of their subscription rights with the opportunity to purchase the shares that are not purchased by other stockholders in this Rights Offering. If there are not enough shares available to fully satisfy all oversubscription right requests, the available shares will be distributed proportionately among rights holders who exercised their oversubscription right based on the number of shares each rights holder subscribed for under the basic subscription right. Computershare Trust Company N.A. and Computershare, Inc. who are serving collectively as the rights agent, will return any excess payments by mail without interest or deduction as soon as reasonably practical after the Expiration Date.

Q: How long will the subscription period last?

A: You will be able to exercise your subscription rights only during a limited period. If you do not exercise your subscription rights before 5:00 p.m., New York City time, on February 17, 2015, your subscription rights will expire and be of no further value. We may, in our sole discretion, as described below decide to extend this Rights Offering until some later time. If we extend the expiration date, we will give oral or written notice to the rights agent on or before such Expiration Date, followed by a press release no later than 9:00 a.m., New York City time, on the next business day after the previously scheduled Expiration Date. If we elect to extend the Rights Offering for a period of more than 30 days, then holders who have subscribed for rights may cancel their subscriptions and receive a refund of all money submitted to date.

Holders of our Warrants have a period of 90 days from the Effective Date by April 28, 2015 in which to exercise their subscription rights. Please see the discussion of Warrants in The Rights Offering The Special Rights of the Warrants.

Q: Is there any limit on how long the subscription period will last?

A: Although the Rights Offering is scheduled to remain open until February 17, 2015, we retain the ability to extend the Rights Offering for as long or as many times as our Board of Directors determines is necessary to consummate the Rights Offering or otherwise in our best interests.

Q: Am I required to participate in this Rights Offering?

A: No.

Q: What happens if I choose not to exercise my subscription rights?

A: You will retain your current number of shares of common stock even if you do not exercise your subscription rights. If you choose not to exercise your subscription rights, then the percentage of our common stock that you own will decrease upon closing of this Rights Offering. The magnitude of the reduction of your percentage ownership will depend upon the extent to which you and the other stockholders exercise their rights. See *Risk Factors Risks Related to The Rights Offering Stockholders who do not fully exercise their subscription rights will have their interests diluted* for more information regarding the amount of potential dilution.

Q: How do I exercise my subscription rights?

A: If you are a Holder of Record you may exercise your subscription rights by delivering the following to the rights agent at or prior to 5:00 p.m., New York City time, on the Expiration Date:

your properly completed and executed subscription rights exercise certificate with any required signature guarantees or other supplemental documentation; and your full exercise price payment (by check, bank draft or money order) for each share subscribed for under your subscription rights and any oversubscription right.

If you use the mail, we recommend that you use insured, registered mail, return receipt requested. If you pay by an uncertified personal check, your subscription rights will not be deemed exercised until such uncertified check clears. See The Rights Offering Delivery of Subscription Materials and Payment.

Q: What should I do if I want to exercise my subscription rights but my shares are held in the name of my broker, custodian bank or other nominee?

A: If you hold shares of our common stock through a broker, custodian bank or other nominee, we will ask your broker, custodian bank or other nominee to notify you of this Rights Offering. If you wish to exercise your subscription rights, you will need to have your broker, custodian bank or other nominee act for you. To indicate your decision, you should complete and return to your broker, custodian bank or other nominee the forms provided by them. You should receive this form from your broker, custodian bank or other nominee with the other offering materials. You should contact your broker, custodian bank or other nominee if you believe you are entitled to participate in this Rights Offering but you have not received this form.

Q: What restrictions may there be on my right to exercise my subscription rights?

A: A key element to our business strategy is using our federal and state net operating loss tax carryforwards (NOLs). Our ability to utilize our NOLs would be substantially reduced if we were to undergo an ownership change as that term is defined under federal income tax regulations. In order to preserve certain of our tax benefits, our bylaws contain restrictions on transfer to prohibit any person, entity or group from becoming a holder of 4.9% or greater of our common stock, the increase in ownership of any existing stockholder who owns 4.9% or greater of our common stock, or certain transfers by a stockholder holding 5% or more of our outstanding shares of common stock. As a result, there are limitations on the exercise of the subscription rights as described in this prospectus supplement. Without the approval of our Board of Directors, no holder will be issued shares as a result of such subscriptions or oversubscription if the holder will hold 4.9% or greater of our then-current outstanding common stock, which if this Rights Offering is fully subscribed will be 1,327,688 shares.

Therefore, in order to avoid an ownership change result of this Rights Offering, we have implemented the escrow protection mechanics, which are as follows: (1) by exercising subscription rights, each holder will represent to us that such holder was not an owner, directly or indirectly (as described in this prospectus supplement and the Tax Benefit Preservation Provision), of 4.9% or more of our outstanding shares of common stock, 849,850 shares based on 17,343,892 shares of common stock outstanding as of January 28, 2015; (2) if such exercise would result in such holder owning, directly or indirectly, more than 849,850 shares of our common stock, such holder must notify the information agent at the telephone number set forth under The Rights Offering Information Agent; Questions about Exercising Subscription Rights ; (3) if requested, each holder will provide us with additional information regarding the amount of common stock that the holder owns; (4) we may instruct the rights agent to hold any subscription payments separately pending our determination of any ownership issues; and (5) we shall have the right to instruct the rights agent to refuse to honor such holder s exercise to the extent such exercise of subscription rights or oversubscription rights might, in our sole and absolute discretion, result in such holder owning 4.9% or more of our common stock. By exercising subscription rights in this Rights Offering, you agree that the escrow protection mechanics are valid, binding and enforceable against you. See *The Rights Offering Tax Benefit Protection Provision; Escrow Protection Mechanics* for a discussion on how our escrow mechanics operate.

Q: What should I do if I want to exercise my subscription rights and I am a stockholder in a foreign country or in the Armed Services?

A: The rights agent will not mail any Rights Offering materials to you if you are a holder of subscription rights whose address is outside the United States or if you have an Army Post Office or a Fleet Post Office address. To exercise your rights, you must notify the rights agent on or prior to 5:00 p.m., New York City time, on February 17, 2015, and take all other steps which are necessary to exercise your rights, on or prior to that time. If you do not follow these procedures prior to the Expiration Date, your rights will expire.

Q: Will I be charged a sales commission or a fee if I exercise my subscription rights?

A: No. We will not charge a brokerage commission or a fee to rights holders for exercising their subscription rights. However, if you exercise your subscription rights through a broker or nominee, you will be responsible for any fees charged by your broker or nominee.

Q: What are the United States federal income tax consequences of exercising my subscription rights as a holder of common stock?

A: A holder of common stock generally will not recognize income or loss for federal income tax purposes in connection with the receipt or exercise of subscription rights in this Rights Offering. We urge you to consult your own tax advisor with respect to the particular tax consequences of this Rights Offering to you. See *Material U.S. Federal Income Tax Consequences* for more information on the tax consequences of this Rights Offering.

Q: When will I receive the shares purchased in this Rights Offering?

A: We will issue certificates or make the necessary book-entry issuances representing shares purchased in this Rights Offering to you or to DTC on your behalf, as the case may be, as soon as reasonably practicable after the closing of the GRSA Acquisition, which will follow the Expiration Date.

Q: If this Rights Offering is not completed, will my subscription payment be refunded to me?

A: Yes. The rights agent will hold all funds it receives in escrow until completion of this Rights Offering. If this Rights Offering is not completed, the rights agent will return promptly, without interest, all subscription payments and any oversubscription payments that are not exercised.

Q: Are there risks in exercising my subscription rights?

A: Yes. The exercise of your rights involves risks. Exercising your rights means buying additional shares of our common stock and should be considered as carefully as you would consider any other equity investment in our company. Among other things, you should carefully consider the risks described under the heading *Risk Factors,* in this prospectus supplement.

Q: After I exercise my subscription rights, can I change my mind and cancel my purchase?

A: No. Once you send in your subscription certificate and payment you will not be able to revoke the exercise of your subscription rights even if you later learn information about us

that you consider to be unfavorable and even if the market price of our common stock is below the subscription right exercise price. You should not exercise your subscription rights unless you are certain that you wish to purchase additional shares of our common stock at the subscription right exercise price.

Q: May I transfer my subscription rights if I do not want to purchase any shares?

A: No. The subscription rights attach to our shares of common stock and are not separately transferable. Transfer of ownership of a share of our common stock, however, after the Effective Date and before the earlier of the Expiration Date or any subscription right associated with such share is exercised will also transfer ownership of the subscription right issued with respect to such share.

Q: Can I sell my shares after I have exercised my subscription rights?

A: Yes. After you exercise your subscription rights, the shares of common stock will have a new CUSIP (82670K201) and will be freely tradable and quoted on the OTCQX Marketplace, where our common stock currently trades. After the Expiration Date, all of our common stock will have this CUSIP (82670K201).

Q: If I purchase shares after the Rights Offering has commenced, will I be able to participate in the Rights Offering?

A: Yes, if the shares of common stock you have purchased still have the subscription rights attached. Shares that have subscription rights attached have CUSIP 82670K128. Since stock trades may take three business days to settle, please note that if you purchase shares late in the Rights Offering period, you may not receive your shares in time to exercise the attached subscription rights. We are under no obligation, and have no intention, to adjust our procedures to accommodate holders who acquire shares after the Rights Offering has commenced.

Q: Why is Signature Group Holdings, Inc. engaging in this Rights Offering?

A: We are making this Rights Offering in order to raise approximately $55 million, before expenses, in new capital to be used to pay a portion of the $525 million in consideration we have agreed to pay in the GRSA Acquisition.

Q: How were the terms of the Rights Offering and the subscription right exercise price established?

A: The subscription price for the Rights Offering was determined based on the determination of our management and Board, as assisted by our financial advisors, and the negotiation of the terms of certain backstops to the financing for the GRSA Acquisition, which provided that the subscription price equal the lesser of (i) $6.50 per share, the offering price under our registered offering of $28.5 million in equity on December 2014 , or (ii) a 25% discount to the 10-day volume weighted average price of our common stock prior to the commencement of the Rights Offering.

Q: What is the Board of Directors recommendation regarding this Rights Offering?

A: Our Board of Directors is not making any recommendation as to whether you should exercise your subscription rights. You should make your decision based on your own assessment of this Rights Offering and our company.

Q: How many shares of our common stock will be outstanding after this Rights Offering?

A: As of January 28, 2015, we had 17, 343,892 shares of common stock issued and outstanding. After this Rights Offering, we anticipate that we will have approximately 27,095,665 million shares of common stock outstanding assuming all the subscription rights that are issued pursuant to the Rights Offering are exercised. We will have 27,938,665 shares if the holders of our 1,500,000 outstanding Warrants exercise all of the subscription rights in respect of Warrants.

Q: Will the new shares be quoted on the OTCQX and treated like other shares?

A: Yes. Our common stock is quoted on the OTCQX Marketplace. The subscription rights, following the Effective Date and until the earlier of their exercise or the Expiration Date, will trade along with the shares of common stock to which they are attached as a unit under the symbol SGGHU , and will not be quoted or traded separately from the shares of our common stock. Following exercise of the associated subscription rights, the common stock will be freely tradable without any additional subscription rights via CUSIP 82670K201. Following the consummation of the GRSA Acquisition, we intend to seek to list our common stock on the NASDAQ.

Q: Can the Board of Directors amend or withdraw this Rights Offering?

A: Yes. We reserve the right to cancel the Rights Offering at any time. If canceled, the subscription funds and any certificates for the underlying shares will be promptly returned by mail to exercising holders of subscription right, without interest or deduction. If this Rights Offering is canceled, the subscription rights will not be exercisable and will have no value. We also reserve the right to extend the Expiration Date and to amend the terms or conditions of the Rights Offering. If this Rights Offering is extended, the rights agent will hold your shares and subscription funds.

Further, if we should make any fundamental changes to the terms set forth in this prospectus supplement including a change in the subscription price or number of shares of common stock purchasable by one subscription right, we will file a revised prospectus supplement, offer potential purchasers who have subscribed for rights the opportunity to cancel such subscriptions and issue a refund of any money advanced by such stockholder and recirculate an updated prospectus supplement after the post-effective amendment is declared effective with the SEC. In addition, upon such event, we may extend the Expiration Date of this Rights Offering to allow holders of rights ample time to make new investment decisions and for us to recirculate updated documentation. Promptly following any such occurrence, we will issue a press release announcing any changes with respect to this Rights Offering and the new Expiration Date. The terms of the Rights Offering cannot be modified or amended after the Expiration Date.

Q: Are there limitations on where these subscription rights may be distributed and where subscription rights may be exercised?

A: This prospectus is not an offer to sell and we are not soliciting an offer to buy our common stock in any state or other jurisdiction in which the offer or sale is not permitted. We have applied for qualification of this Rights Offering with certain state securities commissions, including California. We have the discretion to delay or to refuse to distribute any shares any holder may elect to purchase through the exercise of subscription rights or oversubscription rights if we deem it necessary to comply with applicable securities laws, including state securities and blue sky laws. Our application for qualification with the Department of Business Oversight of the State of California related to this Rights Offering was not effective as of the date of this prospectus supplement. Unless our application becomes effective prior to the Expiration Date, we will not be permitted to offer or sell the subscription rights or common stock in the State of California or communicate to a stockholder located in the State of California that we are accepting their subscription to purchase shares in this Rights Offering.

Q: What should I do if I have other questions or need assistance?

A: We have appointed Georgeson Inc. as information agent for the Rights Offering. Any questions or requests for additional copies of this prospectus supplement or any ancillary documents may be directed to the information agent at the following address and telephone number:

480 Washington Blvd., 26th Floor

Jersey City, NJ 07310

Telephone: (866) 300-8594 (toll-free)

For a more complete description of this Rights Offering, see *The Rights Offering.*

PROSPECTUS SUPPLEMENT SUMMARY

This summary highlights certain information contained elsewhere in this prospectus supplement (including documents incorporated by reference herein). Because this is only a summary, it does not contain all of the information that may be important to you. For a complete understanding of the Rights Offering, we encourage you to read this entire prospectus supplement and the documents incorporated by reference herein. You should read the following summary together with the more detailed information and combined and consolidated financial statements of Signature and GRSA (each as defined below) and the notes to those statements included elsewhere in this prospectus supplement and the documents incorporated by reference herein, and together with the information contained herein under the caption Unaudited Pro Forma Condensed Combined Financial Information. Before making any investment decision, for a more complete understanding of our business and this offering, you should read the entire prospectus supplement carefully, including the sections entitled Risk Factors. Except where the context suggests otherwise, references in this prospectus supplement to the Company, we and our refer to Signature Group Holdings, Inc. and its consolidated subsidiaries, references to GRSA refer to the entities (collectively, the GRSA Entities) taken together, comprising the global recycling and specification alloys business of Aleris Corporation (Aleris), and references to Signature or the Issuer refer only to Signature Group Holdings, Inc., and not to any of its subsidiaries. All tonnage information is presented in metric tons. References in this prospectus supplement to pro forma refer to financial information for the applicable period (or as of the applicable date) that gives effect to the GRSA Acquisition, Financings and NABCO Sale, as each are defined below, as if they had occurred on January 1, 2013 in the case of statements of operations data and as if the GRSA Acquisition, Financings and NABCO Sale had occurred on September 30, 2014 in the case of balance sheet data. The pro forma financial information set forth in Unaudited Pro Forma Condensed Combined Financial Information is derived from the historical combined financial information of Signature and GRSA, and gives effect to the pro forma adjustments as described in the accompanying notes. We cannot assure you that the GRSA Acquisition or all of the Financings associated with the GRSA Acquisition will be consummated on the terms described herein, or at all. See Risk Factors Risks Related to this Rights Offering, the GRSA Acquisition and the Financings.

Signature Group Holdings, Inc.

We are a holding company. Our business strategy is to acquire controlling interests in operating companies that leverage the strengths of our platform, including our status as a public company, our sizable tax assets, and the experience of our executive management team. A key element to our business strategy is using our federal and state net operating loss tax carryforwards (NOLs). As of December 31, 2013, which has been adjusted for IRS examinations of prior tax years completed in 2014, we reported federal NOLs of approximately $932.8 million, which have a 20-year life and which begin to expire in 2027. We strive to acquire companies that are consistently profitable and will be accretive to earnings. In considering acquisition opportunities, we prefer businesses and management teams that have shown success through the business cycle, generate strong margins, and have defensible market positions. We have entered into a definitive agreement for the acquisition of GRSA, which we believe is consistent with our strategy and which will represent a transformative acquisition for us if it is consummated. Following the consummation of the GRSA Acquisition, we intend to seek to list our common stock on the NASDAQ.

As of December 31, 2014, our operations were largely concentrated in one operating segment, Industrial Supply, which included North American Breaker Co., LLC (NABCO), one of the largest independent circuit breaker suppliers in the United States. On January 9, 2015, we sold our 100% interest in NABCO for $78 million, subject to customary adjustments, to PNC Riverarch Capital, a division of PNC Capital Finance, LLC (the NABCO Sale). We intend to use approximately $45 million of the proceeds of the NABCO Sale to fund a portion of the purchase price for the GRSA Acquisition.

The GRSA Acquisition

On October 17, 2014, our indirect wholly owned acquisition subsidiary, Real Alloy Holding, Inc. (Real Alloy) (formerly SGH Acquisition Holdco, Inc.), entered into a definitive Purchase and Sale Agreement (the Purchase Agreement) to acquire certain subsidiaries of Aleris comprising Aleris s global recycling and specification alloys business for $525 million, subject to adjustments for the cash, indebtedness, transaction expenses and net working capital of the GRSA Entities. This purchase price is comprised of $495 million in cash and up to $30 million in a new series of non-participating preferred stock of Signature (the Series B Preferred Stock).

The Purchase Agreement contains customary representations, warranties and covenants of the parties, non-competition and non-solicitation provisions, as well as indemnification provisions subject to certain specified thresholds and other limitations. Aleris and its selling subsidiaries may not solicit or discuss alternative transactions for GRSA. We or Real Alloy will be required to pay Aleris a $26.25 million termination fee if the Purchase Agreement is terminated under certain circumstances. Signature has guaranteed all of Real Alloy s obligations under the Purchase Agreement, including the termination fee obligation.

The closing of the proposed transaction is subject to the transfer of certain discontinued real property locations by Aleris to a non-GRSA subsidiary, the release of certain liens, guarantees and liabilities related to certain Aleris debt, and other customary closing conditions. Necessary conditions associated with the expiration or termination of the applicable waiting period under the Hart-Scott-Rodino Antitrust Improvements Act of 1976, as amended (the HSR Act) and certain Mexican competition laws have been obtained. The GRSA Acquisition is expected to close on or before February 28, 2015. The GRSA Acquisition is not contingent upon the consummation of any financing arrangement.

There can be no assurance that the GRSA Acquisition will be consummated. The Purchase Agreement has been filed as an exhibit to our Current Report on Form 8-K, filed with the SEC on October 21, 2014, which is incorporated by reference herein. See The GRSA Acquisition and Financings The Purchase Agreement and Risk Factors Risks Related to this Rights Offering, the GRSA Acquisition and the Financings.

The NABCO Sale, Financings and Offerings

We currently intend to finance the $495 million cash portion of the purchase price for the GRSA Acquisition as well as costs associated with the GRSA Acquisition using a combination of cash, new equity and debt as follows: (i) $45 million of our existing cash, (ii) approximately $45 million of the proceeds of the NABCO Sale, (iii) the net proceeds of the $3 million October 2014 issuance of 300,000 shares of our common stock in a private placement (the October 2014 Private Placement), (iv) the net proceeds of the $28.5 million December 2014 registered offering of our common stock (the Equity Offering), (v) the net proceeds of this $55 million Rights Offering, (vi) the net proceeds of the recently completed private placement of $305 million in senior secured notes (the Senior Secured Notes) by our indirect wholly owned subsidiary, SGH Escrow Corporation (SGH Escrow , which we intend to merge into Real Alloy following the consummation of the GRSA Acquisition) and (vii) $73.5 million in opening draws on the combination of an asset-based lending facility (the Asset-Based Facility) provided by General Electric Capital Corporation and GE Capital Markets, Inc. (collectively, GE Capital) and a German factoring facility (the Factoring Facility) provided by GE Capital Bank AG (all such transactions in clauses (iii) (vii), the Financings).

If this Rights Offering is fully subscribed, we will receive more than $125 million in aggregate net proceeds from this Rights Offering, the NABCO Sale, the Equity Offering, and the October 2014 Private Placement, and we intend to use such excess for general corporate purposes, which could include reducing borrowings at Real Alloy. In the event that this Rights Offering is not fully subscribed, such that the aggregate net proceeds from the October 2014 Private Placement, the Equity Offering, this Rights Offering and the NABCO Sale are less than $125 million, we entered into in October 2014, and amended in January 2015, (x) a commitment letter (the Backstop Commitment Letter) with Zell Credit Opportunities Master Fund L.P. (ZCOF) and funds managed by another institutional investor for up to $20 million in senior notes (the Backstop Notes) and (y) an agreement with Aleris to purchase up to an additional $30 million of our Series B Preferred Stock (the Backstop Agreement). The Backstop Agreement and the Backstop Notes set forth the allocations to be made in the event of a shortfall. As a general matter, if we raise $32.0 million or more in this Rights Offering, there will be no funding requirement under the Backstop Notes. In the event we utilize the Backstop Notes or issue additional Series B Preferred Stock under the Backstop Agreement, we expect the funds required for the repayment of the debt incurred in connection with such Backstop Notes and dividends in respect of additional Series B Preferred Stock to be provided by a combination of distributions from GRSA, borrowing under future debt and/or other financing transactions, which could include the issuance of additional shares of our common stock.

There can be no assurance that we or Real Alloy will undertake or complete any such pending Financings or utilize the Backstop Notes or Backstop Agreement, and the closings of this Rights Offering and certain of the other Financings are expected to be conditioned on the closing of the GRSA Acquisition. The final structure and terms of the Financings and backstops, if required, will be subject to market conditions, and may be materially different than current expectations. See The GRSA Acquisition and Financings The Backstop Agreement and The Financing Arrangements, as well as Risk Factors Risks Related to This Rights Offering, the GRSA Acquisition and the Financings. The completion of this Rights Offering is not conditioned upon the completion of any other Financing.

On October 28, 2014, we completed the October 2014 Private Placement in which we privately placed 300,000 shares of common stock at a price of $10.00 per share with Kettle Hill Partners, LP and Kettle Hill Partners II, LP. We plan to use the proceeds for general corporate purposes, including to fund a portion of the purchase price in the GRSA Acquisition. We have agreed to file a resale registration statement for these shares and use our best efforts to cause such registration statement to become effective within three months of such filing.

On December 19, 2014, we completed the Equity Offering, in which we sold 4,384,615 shares of our common stock in an underwritten public offering. Before offering expenses, we received approximately $27.1 million in proceeds, net of underwriting discounts and commissions.

On January 8, 2015, our indirect wholly owned subsidiary, SGH Escrow, completed the offering of the Senior Secured Notes, pursuant to which SGH Escrow issued and sold 10% Senior Secured Notes due 2019 in an aggregate principal amount of $305.0 million at an issue price to SGH Escrow of 97.206% of the principal amount thereof, resulting in gross proceeds to SGH Escrow of approximately $296.5 million. The yield to SGH Escrow on the Senior Secured Notes is 10 7/8%. The Senior Secured Notes were offered and sold in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act and to persons outside of the United States pursuant to Regulation S under the Securities Act. The proceeds from the Senior Secured Notes were placed into an escrow account to be released upon the closing of the GRSA Acquisition, the merger of SGH Escrow with Real Alloy and Real Alloy s assumption of SGH Escrow s obligations under the Senior Secured Notes and obtaining certain guarantees from Real Alloy s existing and future domestic subsidiaries, along with the satisfaction of other customary conditions.

On January 9, 2015, we completed the NABCO Sale for gross proceeds of $78.0 million. We will retain at Signature a maximum of $10 million of the proceeds of the NABCO Sale, net of transaction expenses, the repayment of $14.3 million in outstanding debt related to NABCO and a $3.9 million indemnification escrow, classified as unrestricted cash on our pro forma condensed combined balance sheet, and we intend to use the rest of the net proceeds to fund a portion of the purchase price for the GRSA Acquisition.

The Global Recycling and Specification Alloys Business

GRSA is a global leader in third-party aluminum recycling, which includes the processing of scrap aluminum and by-products and the manufacturing of wrought, cast and specification or foundry alloys. GRSA offers a broad range of products and services to wrought alloy processors, automotive original equipment manufacturers (or OEMs) and foundries and casters. Industries served include automotive, consumer packaging, steel and durable goods, aerospace and building and construction. It processes scrap aluminum and by-products and delivers the recycled metal in liquid or solid form according to its customers specifications. Its facilities are capable of processing industrial (new) scrap, post-consumer (old/obsolete) scrap, and various aluminum by-products, giving it a great degree of flexibility in reclaiming high-quality recycled aluminum for its customers. GRSA currently operates 24 facilities strategically located throughout North America and Europe and had approximately 1,600 employees as of December 31, 2013. For the twelve months ended September 30, 2014, its revenues were $1.5 billion, its Standalone Adjusted EBITDA was $84.1 million, its net income attributable to Aleris was $33.6 million and its volume was 1,204 kilotons (kt).

Value Chain

GRSA conducts business with its customers primarily through tolling arrangements and buy/sell arrangements. Under tolling arrangements, customers pay GRSA a fee to convert aluminum scrap or by-products into usable recycled metal. Tolling arrangements, whether with manufacturing customers or broker customers, benefit GRSA by providing commodity price risk reduction, earnings stability, and consistent returns on invested capital given the reduced associated working capital needs. Under buy/sell arrangements, GRSA buys scrap units in the open market, including from scrap dealers, its customers and other producers, then processes them and sells wrought or cast alloys produced to the customers specifications. GRSA processed approximately 450 kt in North America and 190 kt in Europe through tolling arrangements, which represented 53% of GRSA s overall volume for the twelve months ended September 30, 2014. In addition, GRSA processed approximately 380 kt in North America and 180 kt in Europe through buy/sell arrangements, which represented 47% of its overall volume for the twelve months ended September 30, 2014.

GRSA is a trusted partner in the aluminum recycling industry and has long-standing relationships with a diverse customer base, including many blue-chip multinational companies. Many of its customers, and all of its top 10 customers, have closed-loop arrangements with GRSA. Under these types of arrangements, customers provide GRSA with aluminum scrap and by-products generated by their operations, and GRSA converts the scrap and by-products into usable recycled aluminum metal that is returned to the customers. Typically, these closed-loop arrangements are done through tolling arrangements, though they can also be done through buy/sell arrangements. Closed-loop arrangements benefit GRSA s customers by enabling them to maximize utilization of their own metal (which is usually their lowest cost alternative), optimize operational efficiencies and minimize by-product waste. The closed-loop business model also allows GRSA to be highly integrated into its manufacturing customers supply chains, further strengthening its relationships with such customers. GRSA believes that it is a leader in closed-loop arrangements.

The ability to use diverse types of scrap and source such scrap effectively allows GRSA to improve its business performance. Its centralized purchasing function within each of its operating regions, combined with its broad geographic footprint, allows GRSA to leverage its purchasing expertise and scale to secure the lowest cost aluminum scrap available for its buy/sell operations. Its well-maintained facilities have been equipped with a broad range of pre-processing equipment such as shredders, dryers and mills, thereby increasing their flexibility and enabling the processing of multiple grades of scrap and by-products to optimize metal purchases and minimize input costs. This increased flexibility in raw material input mix improves margins and helps to insulate GRSA in periods of unfavorable market conditions while creating significant benefits during upcycles.

With its extensive footprint and strategically located facilities in North America and Europe, GRSA is able to effectively serve its global blue-chip customers as well as its regional and local customers. Most of GRSA s operations are located near its customers facilities, allowing for closed-loop arrangements and making GRSA an integral part of its customers supply chain. At 12 of its facilities, this close proximity allows GRSA to deliver just-in-time molten metal for direct use in customers operations, which differentiates GRSA from many of its competitors. In 2013, a significant portion of GRSA s volume was delivered in molten metal form. This capability provides savings by maximizing production efficiency, reducing costs, and reinforcing the integrated nature of GRSA s relationships with its customers. With its multi-location operation, GRSA is able to process a portion of its volume under swap arrangements, under which GRSA takes scrap or by-products from its customer in one location and delivers recycled metal back to that customer in a different location and/or alloy.

As a leader in third-party aluminum recycling, GRSA s scale, broad geographic footprint across two continents and comprehensive product and service offerings positions GRSA to capitalize on favorable industry trends. Unlike other metals, aluminum is infinitely recyclable without any loss of quality, thus making recycled or secondary aluminum just as desirable and usable as primary aluminum. This characteristic, coupled with increasing global demand for aluminum and long-term secular growth in key end markets, provides a positive macro environment for GRSA s growth plans. According to the Freedonia Group, global aluminum demand is projected to grow at 5.4% per year from 2012 to 2022. More specifically, in the automotive sector, which represented approximately 61% of GRSA s volumes for the year ended December 31, 2013, aluminum consumption is expected to grow by over 17% per year from 2012 to 2017, largely driven by the lightweighting of vehicles to meet new regulatory standards. In addition to growing demand in GRSA s key end markets, demand for recycled aluminum is expected to grow at a faster rate than primary aluminum production in North America and Europe, which is largely driven by the cost and energy efficiency of recycling aluminum. By 2022, secondary aluminum production is expected to comprise nearly 50% of all aluminum production in North America and Europe.

GRSA Business Unit Overview

GRSA has historically operated through two segments (referred to herein as business units): Recycling and Specification Alloys North America (RSAA) and Recycling and Specification Alloys Europe (RSEU). Signature has not determined whether to report these as separate segments in the future. The following data show GRSA s volume invoiced (1,222 kt) by key end markets for the year ended December 31, 2013 as well as summarize GRSA s key operating metrics for the twelve months ended September 30, 2014.

Volume Invoiced by End Market

For the year ended December 31, 2013

(For the last twelve months September 30, 2014, $ in millions except per ton amounts, volume in kt)	RSAA	RSEU
Volume Invoiced	831 kt	373 kt
% of Volume Tolled	*54%*	*51%*
Revenues	$974	$556
Contribution Margin(1)	$272	$172
Contribution Margin per ton invoiced	*$327*	*$461*
Standalone Adjusted EBITDA(2)	$63	$22
Standalone Adjusted EBITDA per ton invoiced	*$75*	*$58*
Products	Molten, sows, ingots, deox, slag conditioners, desulfurizers	Molten, ingots, sows, deox, oxides
Facilities	18	6
Selected Customers	Alcoa, Kaiser Aluminum, Sapa, Hydro, Aleris, Chrysler, General Motors, Honda, Nemak	Daimler, Volkswagen, Hydro, Novelis, Nemak

(1) For an explanation of how GRSA calculates contribution margin, see note (3) to Summary Combined and Consolidated Historical Financial and Other Data of GRSA.

(2) For a reconciliation to segment income, the most comparable GAAP measure, see note (4) to Summary Combined and Consolidated Historical Financial and Other Data of GRSA.

GRSA Competitive Strengths

Global Leader in Aluminum Recycling. GRSA is a global leader in third-party aluminum recycling, which includes the processing of scrap aluminum and by-products and the manufacturing of wrought, cast and specification or foundry alloys. GRSA operates 24 facilities strategically located in six countries across North America and Europe, supporting a diverse customer and revenue base and making it the leader on both continents. GRSA s extensive footprint allows it to serve global as well as regional and local customers and creates significant benefits of scale where it can optimize sales and purchasing decisions. GRSA has the highest production capacity within the fragmented third-party recycling industry in North America and Europe (which excludes in-sourced recyclers), with 59 rotary and reverberatory furnaces capable of processing 1.9 million tons of recycled aluminum and specification alloys per year.

Stable Cash Flow Through Tolling, Hedging and Contractual Cost Pass-Throughs. GRSA believes that a significant portion of its margin is protected from commodity price swings by tolling arrangements, hedging arrangements, and contractual pass-throughs of key input costs. For the twelve months ended September 30, 2014, approximately two-thirds of GRSA s volume was sold under tolling arrangements or was hedged to mitigate metal price risk. The tolling arrangements also generate consistent returns on invested capital given the minimal associated working capital needs and the direct pass-through of other costs. Exposure to commodity price fluctuations is further limited by a significant focus by management on commercial positions and high inventory turns.

Increased Operational Flexibility Provides Ability to Optimize Performance Through Market Cycles. GRSA believes that it is one of the lowest cost operators in the aluminum recycling industry with significant flexibility to shift input and product mix and manage costs. GRSA has benefitted from investments in many of its facilities over the last three years. Since 2011, GRSA has invested $14 million to upgrade and expand its pre-processing equipment, which allows it to process a wide range of aluminum scrap. These investments have increased pre-processing capacity by 56% since 2011 and enhanced GRSA s profitability. The increased flexibility also helps to insulate GRSA in periods of unfavorable market conditions.

GRSA has also made significant investments to upgrade its melting capabilities. Since 2011, GRSA has invested $20 million in its melting operations, which has further allowed it to increase operational efficiency. GRSA s melting operations use rotary and reverberatory furnaces which can be used to produce different alloys, improving GRSA s efficiency and utilization rates in variable market conditions. GRSA further enhances its processing flexibility and cost advantages with a centralized purchasing function within each region that leverages its purchasing expertise and knowledge of regional dynamics to secure the lowest cost aluminum scrap available for its operations.

Wide Range of Products and Services. GRSA has a leading ability to process a wide range of aluminum materials and deliver products in numerous forms for a variety of end uses. Its broad portfolio of products and services enables it to address virtually all of the aluminum recycling and alloy needs of its customers. These products include molten aluminum, aluminum ingots, sows, deox granules and cones, slag conditioners, desulfurizers and magnesium products. GRSA believes its products and services differentiate it from its competitors.

Molten Metal Delivery Provides Further Integration with Customers. GRSA has significant capabilities and capacity to deliver molten metal for direct use in customers operations. Molten aluminum is delivered in crucibles on customized trucks, and poured directly into a customer s furnaces or casting operations. This process improves the customer s productivity by reducing costs, energy requirements and time associated with re-melting metal from a solid form. In some instances, this capability has allowed GRSA s customers to effectively eliminate their own melting operations. GRSA has the unique ability to service multiple key manufacturing corridors in North America and Europe from 12 facilities that are equipped to ship molten metal. GRSA s sophisticated logistics planning and strategic footprint help to optimize the molten metal delivery process to its customers, which, in some cases, includes hourly deliveries. Molten metal delivery requires a sophisticated supply chain because, on average, molten metal cools by approximately 80 degrees Fahrenheit for every hour out of the furnace, which limits time and transport distance (approximately 250 miles) for shipments. In 2013, approximately 40% of its volume was delivered in a molten state, making GRSA a global leader in just-in-time molten aluminum delivery. Delivering molten metal not only reinforces the integrated nature of its relationship with its customers, but also provides GRSA with a significant competitive advantage.

High Quality and Diversified Customer Base. GRSA is a trusted partner in the aluminum recycling industry and has long-standing relationships with many blue-chip multinational companies, which include leading global wrought alloy processors, automotive OEMs, as well as leading foundries and casters. GRSA believes that its customers choose GRSA for its unmatched scale, breadth of capabilities, full range of product and service offerings, high quality product, consistently excellent customer service and ability to supply qualified material from multiple locations. As a result of its highly integrated supply model, GRSA s average customer relationship spans more than 10 years, and GRSA has renewal rates of approximately 95% with its top customers since 2010. In addition, the knowledge gained from long-term customer relationships has helped GRSA to better serve its customers and anticipate industry trends. GRSA s relationships with both recycling and specification alloys customers, along with its flexible operations, allow it to shift its production mix between these groups based on prevailing market conditions.

Significant Market Opportunities Driving Growth. According to the Freedonia Group, the global demand for aluminum is projected to grow at 5.4% per year from 2012 through 2022, driven by rapid demand growth in several end uses such as automotive, aerospace and building and construction. More specifically in the automotive sector, which represented 61% of GRSA s volumes in 2013, aluminum consumption is expected to grow by over 17% per year from 2012 to 2017, largely driven by the lightweighting of vehicles to meet new regulatory standards. In recent years, several of GRSA s customers have announced capacity expansion plans in their rolled products businesses in both North America and Europe, and in some cases have already begun production at new facilities. These customers will likely need additional recycling services going forward. It is estimated that global secondary aluminum demand will grow at 6.7% per year between 2012 and 2022. GRSA has significant capacity, which positions it well to capture this future growth. GRSA believes that it will be able to capture incremental volumes from many of its existing customers without material incremental capital expenditures.

Experienced and Proven Management Team. GRSA has a team of seasoned senior management that is well recognized in the aluminum recycling industry and has collectively more than 175 years of industry experience. This management team has streamlined business operations and has experience operating through different business cycles. With the development and introduction of new products and the demonstrated ability to evaluate and execute opportunistic acquisitions, the management team has positioned GRSA to achieve growth alongside its customers. Since 2011, they have improved productivity through targeted capital expenditures and operational programs.

GRSA Strategic Objectives

Continue To Drive Productivity. GRSA s culture is built on maintaining its industry leading facilities and operating capability to best service its customers. GRSA focuses on continuous improvement, attention to potential impacts on cost and margin, and optimizing the use of capital resources. Key operating metrics are evaluated on a plant by plant basis, and GRSA strives to achieve best practices both internally and in comparison with external benchmarks. GRSA utilizes various tools and systems, to drive sustainable productivity improvements. GRSA s productivity programs generated approximately $17 million and $18 million, respectively, of productivity improvements during the years ended December 31, 2013 and 2012. GRSA believes that there are opportunities to further reduce its manufacturing and other input costs, which will continue to improve profitability. GRSA further believes that these initiatives will generate productivity gains, with a target of, at a minimum, offsetting base inflation within its operations.

Maximize Operating Flexibility. GRSA has invested approximately $34 million in its plants since 2011 to enhance its pre-processing and melting capabilities. These investments have allowed GRSA to upgrade its product portfolio and increase its operational flexibility to quickly adjust its product and service offerings to maximize profit. These investments, coupled with its extensive global footprint, allow GRSA to efficiently serve all portions of the third-party recycling space while maintaining the flexibility to remain profitable in challenging market environments. GRSA intends to leverage these existing investments and the resulting enhanced flexibility as well as pursue new opportunities to increase optionality in its business.

Grow With Key Customers. GRSA intends to continue to pursue global expansion opportunities with key customers in a disciplined, deliberate manner. Additionally GRSA management believes that the combination of efficient furnaces, processing techniques and global customer base provides GRSA with a highly cost-competitive business model that is capable of operating in emerging economies. Further**,** as a non-affiliated operator after the proposed GRSA Acquisition, GRSA believes it will be well positioned to gain additional business from its larger customers that currently compete with its parent, Aleris.

Limit Exposure to Commodity Price Fluctuations. GRSA continuously seeks to reduce the impact of aluminum price fluctuations on its business by:

- Pursuing tolling arrangements that reduce exposure to aluminum and other commodity price fluctuations where customer metal is available and which accounted for approximately 53% of the total metric tons invoiced for the year ended December 31, 2013;

- Hedging fixed price forward sales with the use of financial and commodity derivatives to protect transaction margins, which are margins associated with the sale of products and the conversion fees GRSA earns on such sales; and

- Maximizing alignment between metal purchase prices and pricing on finished products GRSA produces for its customers.

These techniques minimize both transactional margin and inventory valuation risk. Additionally, GRSA seeks to reduce the effects of commodity input price volatility primarily through the use of price escalators and contractual cost pass-throughs.

Opportunistically Pursue Acquisitions. Since 2005, GRSA has grown significantly through the successful completion of six strategic acquisitions targeted at broadening product offerings and geographic presence, diversifying its end-use customer base and increasing its scale and scope. GRSA believes that a number of additional acquisition opportunities exist in the industries in which it operates. GRSA focuses on acquisitions that it believes would allow it to increase earnings and help it realize significant operational efficiencies within 12 to 24 months of the integration process. GRSA evaluates these opportunities as potential enhancements to its existing operating platforms. GRSA also considers strategic alliances, where appropriate, to achieve operational efficiencies or expand its product offerings.

GRSA Industry Overview

Aluminum Market Fundamentals. Demand for aluminum is experiencing a long-term secular growth trend in automotive, building and construction, aerospace and consumer packaging end markets, augmented by the substitution of aluminum for steel across a range of end products. According to the Freedonia Group, global aluminum demand is projected to grow at a compounded rate of approximately 5.4% per annum, from approximately 62.2 million tons in 2012 to approximately 104.9 million tons in 2022. China is expected to continue to drive global aluminum consumption and account for approximately 43% of the overall demand by 2017. North America and Europe are projected to account for approximately 32% of the overall demand by 2017.

A number of the aluminum end markets in North America and Europe are expected to deliver strong growth over the period of 2012 to 2017, according to industry sources. Aluminum demand from the automotive, building and construction, aerospace and consumer packaging end-uses are expected to grow at an estimated 17.6%, 4.7%, 4.2% and 1.9%, respectively.

Source: Freedonia Group, CRU

Note: Automotive and aerospace data is for aluminum flat-rolled products.

The supply and demand position of the global aluminum market is expected to tighten from a net surplus position of approximately 1.6 million tons in 2011 to a net surplus position of approximately 0.1 million tons by 2014, according to Wood Mackenzie. Prices for physical aluminum have responded positively to such shifts in supply and demand, with both the Mid-West Premium (U.S.) and Rotterdam Premium (Europe) increasing from an average of $0.11 and $0.12 per pound, respectively, in 2013 to $0.19 and $0.17 per pound, respectively, for year-to-date September 30, 2014.

Aluminum Recycling Sector. Aluminum is unique in that recycled aluminum is identical in quality to primary aluminum and can be infinitely recycled. If effectively sorted and processed, aluminum products can be recycled for use in most aluminum applications with no degradation in quality.

Production of secondary aluminum is expected to grow at approximately 6.7% between 2012 and 2022, faster than that of primary aluminum, which is expected to grow at approximately 4.5% over the same period. The growth in aluminum recycling and secondary aluminum production is mainly driven by favorable economics relative to primary aluminum production and a movement toward sustainability.

The largest non-raw material input cost when producing primary aluminum is electricity. Most of the energy required for the production of primary aluminum is embodied in the metal itself, and thus, in the scrap. Consequently, aluminum produced from recycling requires approximately 10% of the energy required to produce primary aluminum. In addition, scrap aluminum generally contains other alloying agents, which reduces the need to purchase other primary metals. In aggregate, the aforementioned reusability and cost savings of secondary aluminum relative to primary aluminum are expected to drive increased recycling rates. In addition, as the aggregate amount of aluminum in circulation is expected to grow from approximately 600 million tons today to approximately 1,000 million tons by 2020, the aluminum recycling industry is expected to grow as well and supply up to nearly half of all aluminum production by 2022.

Source: Freedonia Group, October 2013

Aluminum Scrap Sector. Aluminum scrap possesses the same metal qualities as the fabricated or semi-fabricated product from which it was generated. Scrap types include both new scrap, or scrap created in the industrial manufacturing process and old scrap (i.e. post-consumer aluminum-based products such as used beverage cans). Old scrap also includes twitch (i.e. shredded car parts); old cast (i.e. engine blocks); and old sheet, among others. Depending on the type of scrap, the material may require pre-processing to remove contaminants before it can be melted in a furnace.

Demand from China has been a significant driver of the growth in U.S. aluminum scrap exports over the past decade. As a result of China s increased consumption, the global supply of scrap tightened, leading to higher scrap costs and lower recycling margins, particularly between 2011 and 2013. In February 2013, China launched Operation Green Fence , an initiative to prevent the importation of solid waste-contaminated shipments. With the implementation of Operation Green Fence, the demand for aluminum scrap exported from the U.S. to China eased, which translated into better availability of aluminum scrap and more favorable economics for domestic U.S. aluminum recyclers. GRSA s capital investment program has focused on adding pre-processing capacity that is specifically suited to process lower quality scrap and, as a result, GRSA believes its business has benefitted from this dynamic.

GRSA Competition

The third-party aluminum recycling industry is highly fragmented, with a few participants in North America and in Europe operating multiple facilities, and many smaller aluminum recyclers that are single plant, family-owned businesses. GRSA believes that it is the largest third-party aluminum recycler in North America and Europe. Historically, GRSA has been able to compete effectively because of its extensive global footprint, significant production flexibility, superior range of products and services, operational efficiency and flexibility, knowledgeable and experienced management team, well-invested and strategically located facilities, and operational economies of scale. GRSA s main competitors for its RSAA unit are Scepter Inc., Smelter Service Corporation, Tennessee Aluminum Processors, Inc., Owl s Head Alloys Inc., Imperial Aluminum, Superior Aluminum Alloys, LLC, Allied Metal Company, Audubon Metals LLC, Spectro Alloys Corporation, Beck Aluminum Corporation, Bermco Aluminum, and Timco, a division of TST, Inc. GRSA s main competitors for its RSEU business are Oetinger Aluminum, AMAG Austria Metall AG, Raffmetal SpA, Trimet Aluminum and Befesa. Many of GRSA s customers also recycle their own scrap. In the future, such customers may increase the amount of scrap they recycle, and other customers may recycle their own scrap, in lieu of using third party recycling services.

Corporate Information

Signature s address is 17 State Street, Suite 3811, New York, NY 10004 and our telephone number is (646) 564-2268.

The Rights Offering

Securities to be issued(1)	We are issuing, at no charge, one subscription right with respect to each share of our common stock outstanding as of 5:00 p.m. in New York City, on January 28, 2015 (the Effective Date).
Total Offering Size	The aggregate number of shares of our common stock that may be purchased upon exercise of subscription and oversubscription rights in this Rights Offering is 10,594,773 shares, or 61.1% of our common stock outstanding as of January 28, 2015: *The Initial Offering Period*: 9,751,773 shares or 56.2% of our common stock are available for purchase pursuant to the exercise of subscription and oversubscription rights by the holders of our Common Stock as of the Effective Date and prior to February 17, 2015 (the Expiration Date), which portion of this Rights Offering will close concurrently with the consummation of the GRSA Acquisition. The size of this Rights Offering is based on gross proceeds of $55.0 million and a subscription purchase price of $5.64 per share of common stock, and the proceeds will be used to fund a portion of the purchase price for the GRSA Acquisition. *The Warrant Follow-On*: Separately, the holders of our 1.5 million outstanding warrants to purchase common shares (the Warrants) have special subscription rights in the event of a rights offering, and may participate if such Warrants have not been exercised for shares of common stock on or before the Effective Date. 843,000 shares, or 4.9% of our common stock as of January 28, 2015, are available for purchase pursuant to the exercise of subscription and oversubscription rights by the holders of the Warrants (excluding any Warrants exercised for common stock in advance of the Effective Date, in which event, such subscription would be part of the Initial Offering Period described above). The subscription price is also $5.64 per share of common stock, and the proceeds will be used for general corporate purposes. See The Rights Offering Special Rights of the Warrants. The closing of such share issuances would be conditioned upon the consummation of the Rights Offering described above and the GRSA Acquisition, but may not be issued until after such time.
Common stock outstanding before this Rights Offering(2)	17,343,892 shares

Common stock to be outstanding after this Rights Offering(2)	27,095,665 shares if this Rights Offering is fully subscribed, excluding exercise of subscription rights in connection with the Warrants.
	27,938,665 shares if warrantholders exercise all subscription rights in respect of all Warrants (but do not exercise the Warrants for common stock in advance of the Effective Date).
Effective Date	The subscription rights were issued to record holders of our common stock and Warrants as of 5:00 p.m. New York City time, January 28, 2015.
Expiration Date	The subscription rights expire if they are not exercised by 5:00 p.m. New York City time, on February 17, 2015, unless extended by us from time to time in our sole discretion. The subscription rights held by the holders of the Warrants expire if they are not exercised by 5:00 p.m. New York City time, on April 28, 2015.
Transferability of subscription rights	The subscription rights are not transferable separately from the underlying shares of our common stock. Subscription rights will attach to the shares of our common stock and will trade together as a unit under CUSIP 82670K128 after the Effective Date until the earlier of the Expiration Date or the exercise of the subscription rights.
Transferability of common stock following exercise of subscription rights	Following the Effective Date and prior to the Expiration Date, and following the exercise of the associated subscription right, the common stock may be traded separately under CUSIP 82670K201.
Trading of common stock following the expiration of the Rights Offering	Following the Expiration Date, the common stock will trade under CUSIP 82670K201.
Basic Subscription Right; Exercise Price	Holders of subscription rights will be entitled to purchase 0.562 shares of our common stock for every subscription right held, at an exercise price of $5.64 per share, in immediately available funds.
Oversubscription Right	In the event that other stockholders do not exercise their basic subscription rights in full, each holder of a subscription right who has fully subscribed for its basic subscription

	rights may also subscribe for additional shares at the same exercise price per share pursuant to the oversubscription right, subject to the availability and pro rata allocation of shares among holders exercising this oversubscription right. If an insufficient number of shares are available to fully satisfy oversubscription right requests, the available shares, if any, will be allocated pro rata among holders of subscription rights who exercised their oversubscription right based upon the number of shares each holder subscribed for under the basic subscription right and the application of our Tax Benefit Preservation Provision (as discussed in NOL Preservation Strategy below). If this pro rata allocation results in any stockholder receiving a greater number of common shares than the stockholder subscribed for pursuant to the exercise of the oversubscription right, then such stockholder will be allocated only that number of shares for which the stockholder oversubscribed, and the remaining common shares will be allocated among all other stockholders exercising the oversubscription right on the same pro rata basis described above. The proration process will be repeated until all common shares have been allocated or all oversubscription exercises have been fulfilled, whichever occurs earlier.

The rights agent will return any excess payments by mail or by book-entry transfer, without interest or deduction, as soon as is reasonably practicable following the expiration of this Rights Offering.

Conditions	The closing of this Rights Offering is subject to conditions, including the closing of the GRSA Acquisition. See The Rights Offering Conditions to The Rights Offering for more details. The right to exercise subscription rights is subject to, among other things, ownership restrictions imposed by our bylaws, including the Tax Benefit Preservation Provision described below, and the escrow protection mechanics described herein. In addition, we are not offering or selling any subscription rights or common stock in any state or jurisdiction where the offer or sale is not permitted, see Plan of Distribution .
NOL Preservation Strategy & Restrictions on Subscription Rights	As of December 31, 2013, which has been adjusted for IRS examinations of prior tax years completed in 2014, we reported federal NOLs of approximately $932.8 million, which have a 20-year life and which begin to expire if not used by 2027. If we were to experience an ownership change as determined under Section 382 of the Internal Revenue Code of 1986, as amended (the Tax Code),

Section 382 of the Tax Code would impose a strict annual limit on the amount of taxable income that could be offset using these NOLs, which could result in a material amount of the NOLs expiring unused and, therefore, significantly impair the value of these important tax assets.

A key element to our business strategy is using our federal and state NOLs. To preserve the availability of our NOLs, our bylaws impose certain restrictions on the transfer of our common stock and other equity securities (the Tax Benefit Preservation Provision). These provisions impose trading restrictions on any persons who own, or as a result of a transaction would own, 4.9% or more of our common stock. The purpose of the Tax Benefit Preservation Provision is to reduce the risk that any change in ownership might limit our ability to utilize the NOLs under Section 382 of the Tax Code and thereby suffer limitations on our future ability to utilize our federal and state NOLs. Nevertheless, it is possible that we could undergo a future ownership change, either by events within or outside of our control. For more information on the Tax Benefit Preservation Provision, see Risk Factors Risks Related to Our Business Our ability to use our U.S. federal NOLs to offset future taxable income may be limited as a result of past events, the GRSA Acquisition, this Rights Offering or the Financings, or as the result of future acquisitions or other issuances or transfers of our common stock.

We reserve the right to limit or reject any exercise of subscription rights or oversubscription rights, in whole or in part, to the extent that the exercise of some or all of a holder s subscription or oversubscription rights in this Rights Offering may result in a holder becoming a 4.9% or greater stockholder, any existing 4.9% stockholder acquiring additional shares, or certain transfers of any shares by any stockholder owning 5% or more of our common stock. If this Rights Offering is fully subscribed, 4.9% of our outstanding common stock is 1,327,688 shares, however, we cannot be assured of the actual number of shares for which we will receive subscriptions and over subscriptions requests. Therefore, in order to avoid an ownership change for federal income tax purposes as a result of this Rights Offering, we have implemented the escrow protection mechanics, which are as follows: (1) by exercising subscription rights, each holder will represent to us that such holder was not an owner, directly or indirectly (as described in this prospectus supplement and the Tax Benefit Preservation Provision), of 4.9% or more of our outstanding shares of common stock, or 849,850 shares based on 17,343,892 shares of common stock outstanding

	as of January 28, 2015; (2) if such exercise would result in such holder owning, directly or indirectly, more than 849,850 shares of our common stock such holder must notify the information agent at the telephone number set forth under The Rights Offering Information Agent; Questions about Exercising Subscription Rights ; (3) if requested, each holder will provide us with additional information regarding the amount of common stock that the holder owns; (4) we may instruct the rights agent to hold any subscription payments separately pending our determination of any ownership issues; and (5) we shall have the right to instruct the rights agent to refuse to honor such holder s exercise to the extent such exercise of subscription rights or oversubscription rights might, in our sole and absolute discretion, result in such holder owning more than 849,850 shares of our common stock. By exercising subscription rights in this Rights Offering, you agree that the escrow protection mechanics are valid, binding and enforceable against you. See The Rights Offering the Tax Benefit Protection Provisions; Escrow Protection Mechanics.
	The total number of shares of our common stock to be outstanding upon completion of this Rights Offering, assuming the offering is fully subscribed but excluding separate exercises by Warrantholders, would be 27,095,665. 4.9% percent of this amount is 1,327,688.
Procedure for Exercising Subscription Rights	Holders of subscription rights may exercise all or any portion of their subscription rights by delivering the following to the rights agent at the address and in the manner described below at or prior to 5:00 p.m. in New York City, on the Expiration Date: properly completed and executed exercise form with any required signature guarantees or other supplemental documentation; and full exercise price payment for each share subscribed for under your basic subscription right and your oversubscription right. Subscription rights not exercised prior to the Expiration Date will lose their value.
Issuance of Our Common Stock	We will issue certificates or make the necessary book-entry issuances representing shares purchased in this Rights Offering as soon as reasonably practicable after the closing of the GRSA Acquisition, which will follow the Expiration Date. All exercises of subscription rights will be effective on the closing of this Rights Offering, which is conditioned on the closing of the GRSA Acquisition.

No Revocation	Each exercise of subscription rights is irrevocable. If we amend this Rights Offering to allow for an extension of this Rights Offering for a period of more than 30 days or make a fundamental change to the terms set forth in this prospectus supplement, holders may cancel their subscription and receive a refund of any money previously advanced. Holders should not exercise subscription rights unless they are certain that they wish to purchase additional shares of our common stock at a subscription price of $5.64 per full share.
Extension, Cancellation and Amendment	We have the option to extend this Rights Offering and the period for exercising subscription rights for a period not to exceed 30 days, although we do not presently intend to do so. If we elect to extend the expiration of the Rights Offering, we will issue a press release announcing such extension no later than 9:00 a.m. in New York City, on the next business day after the most recently announced Expiration Date of the Rights Offering. We will extend the duration of the Rights Offering as required by applicable law or regulation and may choose to extend it if we decide to give investors more time to exercise their subscription rights in this Rights Offering. If we elect to extend the Rights Offering for a period of more than 30 days, then holders who have subscribed for rights may cancel their subscriptions and receive a refund of all money advanced.
	Our Board may cancel the Rights Offering at any time prior to the expiration of the Rights Offering for any reason, including failure to close the GRSA Acquisition in which case the rights will terminate without value. In the event that this Rights Offering is cancelled, we will issue a press release notifying stockholders of the cancellation and all subscription payments received by the rights agent will be returned, without interest or penalty, as soon as practicable.
	Our Board also reserves the right to amend or modify the terms of the Rights Offering. If we should make any fundamental changes to the terms set forth in this prospectus supplement, including a change in the subscription price or number of shares of common stock purchasable upon the exercise of one subscription right, we will file an updated prospectus supplement to offer potential purchasers who have subscribed for rights the opportunity to cancel such subscriptions and issue a refund of any money advanced by such stockholder and recirculate an updated prospectus after the post-effective amendment is declared effective with the SEC. In addition,

	upon such event, we may extend the Expiration Date of this Rights Offering to allow holders of rights ample time to make new investment decisions and for us to recirculate updated documentation. Promptly following any such occurrence, we will issue a press release announcing any changes with respect to this Rights Offering and the new Expiration Date. The terms of the Rights Offering cannot be modified or amended after the Expiration Date of the Rights Offering. Although we do not presently intend to do so, we may choose to amend or modify the terms of the Rights Offering for any reason, including, without limitation, in order to increase participation in the Rights Offering.
United States Federal Income Tax Consequences to Holders of Our Common Stock	For United States federal income tax purposes, both the receipt of subscription rights in this Rights Offering and the exercise of such rights by holders of our common stock should not be a taxable event. See Material U.S. Federal Income Tax Consequences.
Use of Proceeds	We will use the net proceeds from this Rights Offering as partial payment for the purchase price of the GRSA Acquisition. This Rights Offering is conditioned on the consummation of the GRSA Acquisition. See Use of Proceeds.
Quotation	Our common stock is quoted on the OTCQX Marketplace and during the Rights Offering will trade as a unit under the symbol SGGHU. The subscription rights, following the Effective Date and until the earlier of their exercise or the Expiration Date, will trade along with the shares of common stock to which they are attached, and will not be quoted or traded separately from the shares of our common stock. Following exercise of the associated subscription rights, the common stock will be freely tradable without any additional subscription rights via CUSIP 82670K201. Following the consummation of the GRSA Acquisition, we intend to seek to list our common stock on the NASDAQ.
	The last reported sale price of our common stock on January 28, 2015 was $7.45.
Dividend Policy	We are a holding company that does not operate any business that is separate from our subsidiaries, primarily SGGH, LLC and the subsidiaries of SGGH, LLC. We are therefore dependent upon the cash flow of SGGH, LLC for any funds from which to pay dividends. Neither Signature nor its predecessor has paid a dividend to stockholders

	since the fourth quarter of 2006. We do not expect to pay any cash dividends on our common stock in the foreseeable future.
	The Series B Preferred Stock to be issued by Signature in connection with the GRSA Acquisition will pay quarterly dividends, which will be prior and in preference to any dividend on any of our common stock. In addition, without the consent of the holders of a majority of the Series B Preferred Stock, we are prohibited from paying dividends on our common stock for a period of two years after the Series B Preferred Stock is issued.
	The payment of future cash dividends may be further limited by the terms of the Financings discussed in this prospectus supplement. See The GRSA Acquisition and Financings The Financing Arrangements.
No Board Recommendation: Participation	Our Board is not making any recommendation as to whether holders should exercise their subscription rights. Each holder should decide whether to exercise subscription rights based upon such holder s assessment of its own best interests.
	We believe that most of our management and Board members will participate in the Rights Offering. We believe that each of our two largest stockholders, Hotchkis & Wiley Capital Management, an investment manager (H&W), and ZCOF generally, intends to subscribe for its basic subscription rights in the Rights Offering, neither are under an obligation to subscribe and we can provide no assurance they will subscribe or, if so, the number of shares they will purchase.
Procedures for Exercising Subscription Rights	To exercise subscription rights, holders must complete the rights certificate and deliver it to the rights agent, Computershare, together with full payment for all the subscription rights holders elect to exercise under the basic subscription right and oversubscription right. Holders may deliver the documents and payments by mail or commercial carrier. If regular mail is used for this purpose, we recommend using registered mail, properly insured, with return receipt requested.
	No documents or payments should be delivered to our address in California. Any subscription documents or payments delivered to us in California will not be accepted. The rights agent will not deliver any stock certificates to, or

	make book-entry transfers on behalf of, any holder in California, or any other state where qualification is required, unless and until the offer and sale of the subscription rights and common stock have been qualified in that state. See Plan of Distribution .
Solicitation Agent	B. Riley & Co., LLC
Rights Agent	Computershare Inc. and Computershare Trust Company, N.A.
Information Agent	Georgeson Inc.
Fees and Expenses	We will pay the fees and expenses related to this Rights Offering.
Risk Factors	Investing in our common stock involves a high degree of risk. See Risk Factors beginning on page S-37 of this prospectus supplement.

(1) Each share of our common stock is accompanied by ten associated rights (the Rights) to purchase shares of our Series A Junior Participating Preferred Stock, par value $0.001 per share, of the Company (the Series A Preferred Stock) at a purchase price of $12.00 per unit, subject to adjustment. The Rights were created by that certain Rights Agreement, dated October 23, 2007, as amended, between our predecessor, Fremont General Corporation, a Nevada corporation and Mellon Investor Services LLC, as Rights Agent (the Rights Agreement). The rights do not become exercisable until the earlier to occur of:

10 business days following a public announcement that a person or group has acquired beneficial ownership of 5% or more of our outstanding common stock (any such person or group is referred to as an acquiring person), or

10 business days (or a later date as determined by our Board of Directors) following the commencement of a tender offer or exchange offer that would result in a person or entity becoming an acquiring person.

The rights will expire on November 2, 2017, unless they are redeemed or exchanged by us before that time.

(2) The number of shares of common stock to be outstanding immediately after this Rights Offering as shown above is based on 17,343,892 shares of common stock outstanding as of January 28, 2015 and excludes an aggregate of 865,650 shares of common stock subject to outstanding options, 486,680 shares of common stock reserved for future issuance under our equity incentive plans, and 1,500,000 shares of common stock issuable upon exercise of outstanding warrants.

Summary Pro Forma Financial and Other Data of Signature

The following summary unaudited pro forma financial and other data presents selected elements of our pro forma financial position and results of operations derived from historical information after giving effect to the NABCO Sale, the GRSA Acquisition and the Financings, and the pro forma adjustments as set forth in Unaudited Pro Forma Condensed Combined Financial Information with balance sheet data presented as if the transactions were completed on September 30, 2014 and the statements of operations data for the year ended December 31, 2013 and the nine months ended September 30, 2013 and 2014 presented as if the transactions were completed on January 1, 2013. This pro forma financial information is presented for illustrative purposes only and is not necessarily indicative of what the operating results actually would have been had the GRSA Acquisition been completed on the dates indicated. In addition, the pro forma information does not purport to project our future operating results.

This pro forma financial information should be read in conjunction with our historical financial statements for the year ended December 31, 2013 and the related notes in our Annual Report on Form 10-K for the year ended December 31, 2013 and our Quarterly Report on Form 10-Q for the nine months ended September 30, 2014, each incorporated by reference in this prospectus supplement, GRSA s combined and consolidated financial statements for each of the three years in the period ended December 31, 2013 and the nine months ended September 30, 2014, each together with the related notes, included elsewhere in this prospectus supplement, Use of Proceeds, Capitalization, Unaudited Pro Forma Condensed Combined Financial Information, Management s Discussion and Analysis of Financial Condition and Results of Operations of GRSA and our Management s Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for the year ended December 31, 2013 and our Quarterly Report on Form 10-Q for the nine months ended September 30, 2014, each incorporated by reference in this prospectus supplement.

(Dollars and shares in millions, except per share amounts)	Year ended December 31, 2013	Nine months ended September 30, 2013	Nine months ended September 30, 2014
Statements of operations data:			
Net sales	$ 1,500.2	$ 1,135.3	$ 1,165.7
Gross profit	76.8	58.0	60.1
Operating loss	(35.7)	(28.0)	(20.2)
Loss from continuing operations attributable to Signature Group Holdings, Inc.	(51.0)	(43.7)	(18.0)
Loss per share of common stock:			
Basic and diluted loss per share	$ (1.91)	$ (1.64)	$ (0.67)
Weighted average shares outstanding during the period	26.6	26.6	26.9
Balance sheet data:			
Cash and cash equivalents			$ 17.0
Property, plant and equipment, net			281.6
Total assets			828.2
Total debt			382.8
Other financial data(1):			
Pro Forma Adjusted EBITDA(2)	$ 65.4	$ 46.9	$ 61.3
Pro Forma Adjusted Loss from continuing operations(3)	(32.5)	(30.1)	(0.5)

(1) Neither the Pro Forma Adjusted EBITDA nor the Pro Forma Adjusted Loss from continuing operations reflect any adjustments to costs to reflect additional expenses that GRSA expects to incur post-separation from Aleris as a

stand-alone business. This amount, estimated to be approximately $1.2 million for twelve months, represents a management estimate of the annualized additional expense, such amount is subject to change, and such changes may be material. See Risk Factors Risks Related to this Rights Offering, the GRSA Acquisition and the Financings. If we consummate the GRSA Acquisition, we and GRSA may incur significant cost, time, effort and attention on integration and the development of necessary support. These may hinder our ability to realize the expected benefits of the GRSA Acquisition.

(2) The following table sets forth a reconciliation of Loss from continuing operations attributable to Signature Group Holdings, Inc. to Pro Forma Adjusted EBITDA:

	Year Ended December 31,	**Nine months ended September 30,**	
	2013	**2013**	**2014**
		(in millions)	
Loss from continuing operations attributable to Signature Group Holdings, Inc.	**$ (51.0)**	**$ (43.7)**	**$ (18.0)**
Interest	42.2	31.7	29.7
Income tax expense (benefit)	2.2	2.1	(4.1)
Depreciation and amortization	41.1	30.0	31.5
EBITDA	34.5	20.1	39.1
Change in fair value of Signature common stock warrant liability	6.9	8.4	(3.4)
Stock-based compensation expense related to Signature employees	2.1	1.5	0.9
Other items related to Signature(a)	(2.7)	(2.7)	0.9
Restructuring charges(b)	3.3	3.2	2.0
Unrealized losses (gains) on derivative financial instruments(c)	(0.8)	0.2	0.6
Earnings (loss) attributable to noncontrolling interest(d)	1.0	0.8	0.9
Loss/(gain) on disposal of assets(e)	1.3	0.7	1.7
Stock-based compensation expense related to GRSA employees(f)	1.0	0.9	0.9
Stock-based compensation expense related to non-GRSA employees(g)	3.8	2.8	2.7
Selling, general and administrative expenses allocated from Aleris not directly associated with the business(h)	12.6	8.6	9.5
Excluded facilities(i)	(3.3)	(2.2)	
Medical expense adjustment(j)	4.3	3.5	2.3
Extreme winter weather(k)			2.1
Other items related to GRSA(l)	1.4	1.1	1.1
Pro Forma Adjusted EBITDA	**$ 65.4**	**$ 46.9**	**$ 61.3**

(a) These adjustments include from Signature: $5 million gain on sale of loans held for sale offset by $1.9 million in incremental fees related to a proxy contest in 2013 and $0.4 million of other expense for the year ended December 31, 2013; $5 million gain on sale of loans held for sale offset by $1.9 million in incremental fees related to a proxy contest in 2013 and $0.4 million of other expense for the nine months ended September 30, 2013; $0.8 million impairment of goodwill and intangibles associated with our subsidiary Cosmed, Inc. and $0.1 million of other expense for the nine months ended September 30, 2014.

(b) Represents GRSA s costs related to the closure of certain facilities and the reduction of corporate overhead costs.

(c) Represents the change in the fair value of GRSA s derivative financial instruments that have not settled as well as the reversal of previously recorded unrealized gains or losses that settled during the period.

(d) Represents the portion of net earnings earned by the minority partner of GRSA s Goodyear, Arizona facility.

(e) Represents the gain or loss on sale of GRSA assets.

(f) Represents expense related to certain employees of GRSA who participate in the Aleris equity incentive plan recognized in accordance with ASC 718 Stock Compensation .

(g) Represents an allocation of costs from Aleris pertaining to non-GRSA employees who participate in the Aleris equity incentive plan recognized in accordance with ASC 718 Stock Compensation ; refer to notes 10 and 15 to the audited combined and consolidated financial statements of GRSA included elsewhere in this prospectus supplement for further discussion.

(h) Represents selling, general and administrative expenses allocated from Aleris that will not directly relate to the GRSA business following the GRSA Acquisition, including costs for corporate executives and other corporate functions.

(i) Represents the adjustments to exclude earnings of the GRSA operations that are now closed, or in the case of GRSA s Saginaw, Michigan facility, substantially idled.

(j) Represents an adjustment to employer medical expenses related to GRSA employees. Historically Aleris has allocated total medical expense in the U.S. (including non-GRSA operations) based on headcount. The adjustment was calculated based on actual costs incurred by GRSA employees compared to the allocation method described above.

(k) Represents an adjustment for the natural gas costs related to the severe winter weather in the Mid-western U.S. during the first quarter of 2014.

(l) These adjustments include from GRSA: $0.7 million related to foreign currency losses, $0.4 million of legal and advisory fees associated with potential acquisition targets and $0.3 million of other items for the year ended December 31, 2013; $0.5 million related to foreign currency losses, $0.3 million of legal and advisory fees associated with potential acquisition targets and $0.3 million of other items for the nine months ended September 30, 2013; and $0.5 million related to inventory theft losses, $0.2 million of legal and advisory fees associated with potential acquisition targets, $0.1 million of foreign currency losses and $0.3 million of other items for the nine months ended September 30, 2014.

(3) The following table sets forth a reconciliation of Earnings (loss) from continuing operations attributable to Signature Group Holdings, Inc. to Pro Forma Adjusted Earnings (loss) from continuing operations. Except where noted, all adjustments to Earnings (loss) from continuing operations are attributable to U.S. operations and not expected to be taxable under the U.S. federal corporate tax rate as a result of Signature s NOLs.

	Year Ended December 31, 2013	Nine months ended September 30, 2013	2014
		(in millions)	
Loss from continuing operations attributable to Signature Group Holdings, Inc.	**$ (51.0)**	**$ (43.7)**	**$ (18.0)**
Stock-based compensation expense related to non-GRSA employees(a)	3.8	2.8	2.7
Selling, general and administrative expenses allocated from Aleris not directly associated with the business(b)	12.3	8.4	9.3
Excluded facilities(c)	(3.3)	(2.2)	
Medical expense adjustment(d)	4.3	3.5	2.3
Extreme winter weather(e)			2.1
Other items(f)	1.4	1.1	1.1
Pro Forma Adjusted Loss from continuing operations	**$ (32.5)**	**$ (30.1)**	**$ (0.5)**

(a) Represents an allocation of costs from Aleris pertaining to non-GRSA employees who participate in the Aleris equity incentive plan recognized in accordance with ASC 718 Stock Compensation; refer to notes 10 and 15 to the audited combined and consolidated financial statements of GRSA included elsewhere in this prospectus supplement for further discussion.

(b) Represents selling, general and administrative expenses allocated from Aleris that will not directly relate to the GRSA business following the GRSA Acquisition, including costs for corporate executives and other corporate functions. For purposes of this adjustment, GRSA s Mexico operations are expected to be fully taxable under the Mexico corporate tax rate.

(c) Represents the adjustment to exclude earnings of the GRSA operations that are now closed, or in the case of GRSA s Saginaw, Michigan facility, substantially idled.

(d) Represents an adjustment to employer medical expenses related to GRSA employees. Historically Aleris has allocated total medical expense in the U.S. (including non-GRSA operations) based on headcount. The adjustment was calculated based on actual costs incurred by GRSA employees compared to the allocation method described above.

(e) Represents an adjustment for the natural gas costs related to the severe winter weather in the Mid-western U.S. during the first quarter of 2014.

(f) These adjustments include: $0.7 million related to foreign currency losses, $0.4 million of legal and advisory fees associated with potential acquisition targets and $0.3 million of other items for the year ended December 31, 2013; $0.5 million related to foreign currency losses, $0.3 million of legal and advisory fees associated with potential acquisition targets and $0.3 million of other items for the nine months ended September 30, 2013; and $0.5 million related to inventory theft losses, $0.2 million of legal and advisory fees associated with potential acquisition targets, $0.1 million of foreign currency losses and $0.3 million of other items for the nine months ended September 30, 2014.

Summary Combined and Consolidated Historical Financial and Other Data of GRSA

The following table sets forth the summary historical financial and other data of GRSA (carve-out of certain operations of Aleris) as of and for the periods indicated. The summary statements of operations data for the years ended December 31, 2011, 2012 and 2013 and the summary balance sheet data as of December 31, 2012 and 2013 have been derived from and should be read in conjunction with GRSA s audited combined and consolidated financial statements and the notes thereto included elsewhere in this prospectus supplement. The summary statements of operations data for the nine months ended September 30, 2013 and 2014 and the summary balance sheet data as of September 30, 2014 have been derived from and should be read in conjunction with GRSA s unaudited combined and consolidated financial statements and the notes thereto included elsewhere in this prospectus supplement. The summary balance sheet data as of December 31, 2011 and September 30, 2013 have been derived from GRSA s unaudited combined and consolidated financial statements not included in this prospectus supplement. The unaudited combined and consolidated financial statements have been prepared on the same basis as GRSA s audited combined and consolidated financial statements and, in the opinion of GRSA s management, reflect all adjustments, consisting of normal recurring adjustments, necessary for a fair presentation of this data. The results for any interim period are not necessarily indicative of the results that may be expected for a full year. The summary historical financial and other data for the twelve months ended September 30, 2014 are derived by adding the applicable financial and other data for the year ended December 31, 2013 with the applicable financial and other data for the nine months ended September 30, 2014 and subtracting the applicable financial and other data for the nine months ended September 30, 2013. Amounts may not foot in the following tables as they represent the calculated totals based on actual amounts and not the rounded amounts presented in the tables.

The information presented below should be read in conjunction with Use of Proceeds, Capitalization, Unaudited Pro Forma Condensed Combined Financial Information and Management s Discussion and Analysis of Financial Condition and Results of Operations of GRSA and the combined and consolidated financial statements and the related notes included elsewhere in this prospectus supplement.

(Dollars and shares in millions, except per ton amounts, tons in thousands of metric tons)	Year ended December 31, 2011	2012	2013	Nine months ended September 30, 2013	2014	Twelve months ended September 30, 2014
Statements of operations data:						
Revenues	$ 1,669.1	$ 1,549.4	$ 1,499.5	$ 1,135.3	$ 1,165.7	$ 1,529.9
Gross profit	142.7	101.5	82.2	61.0	69.5	90.7
Income before income taxes	84.3	39.6	24.3	16.5	26.2	34.0
Net income	69.7	27.7	20.0	12.2	26.9	34.7
Net income attributable to Aleris	68.7	26.4	19.0	11.4	26.0	33.6
Balance sheet data:						
Cash and cash equivalents	$ 11.0	$ 9.2	$ 7.6	$ 7.8	$ 11.7	$ 11.7
Property, plant and equipment, net	138.1	174.0	191.0	181.8	188.9	188.9
Total assets	458.4	483.6	496.8	497.0	538.6	538.6
Total debt(1)	0.2	0.7	2.9	0.6	4.3	4.3
Other financial data:						
Net trade working capital(2)	$ 169.3	$ 155.6	$ 134.3	$ 140.2	$ 155.2	$ 155.2
Capital expenditures	49.8	55.7	37.4	23.1	19.3	33.6
Depreciation and amortization	11.0	15.8	21.6	15.4	17.4	23.6
Contribution margin(3)	481.1	426.6	418.8	313.8	338.9	443.9
Adjusted EBITDA(4)	105.4	68.9	69.5	50.7	66.5	85.3
Standalone Adjusted EBITDA(4)						84.1
Volume and per ton data:						
Tons invoiced	1,281.9	1,253.2	1,221.8	926.7	908.8	1,203.9
Tolling	723.0	677.4	649.9	494.1	486.2	642.0
Buy/Sell	558.9	575.8	571.9	432.6	422.6	561.9
Contribution margin per ton invoiced	$ 375	$ 340	$ 343	$ 339	$ 373	$ 369
Adjusted EBITDA per ton invoiced	$ 82	$ 55	$ 57	$ 55	$ 73	$ 71

(1) Includes only capital lease obligations

(2) GRSA defines net trade working capital as accounts receivable plus inventory less accounts payable and toll liability (customer owned inventory)

(3) GRSA defines contribution margin as revenues less the cost of raw materials and freight expense included in cost of sales, the reconciliation of which is presented below

	Year ended December 31, 2011	2012	2013	Nine months ended September 30, 2013	2014	Twelve months ended September 30, 2014
			(in millions)			
Revenues	$ 1,669.1	$ 1,549.4	$ 1,499.5	$ 1,135.3	$ 1,165.7	$ 1,529.9
Cost of metal and freight	(1,188.0)	(1,122.8)	(1,080.7)	(821.5)	(826.8)	(1,086.0)
Contribution margin	$ 481.1	$ 426.6	$ 418.8	$ 313.8	$ 338.9	$ 443.9

	Twelve months ended September 30, 2014 RSAA	RSEU
Revenues	$ 974.0	$ 555.9
Cost of metal and freight	(702.5)	(383.5)
Contribution margin	$ 271.5	$ 172.4

(4) GRSA calculates EBITDA as net income attributable to Aleris before interest, taxes, depreciation and amortization, which is then adjusted to remove or add back certain items to calculate Adjusted EBITDA and Standalone Adjusted EBITDA. See Non-GAAP Financial Measures. The following table sets forth the reconciliation of Adjusted EBITDA and Standalone Adjusted EBITDA to net income attributable to Aleris, the most directly comparable GAAP measure.

	Year Ended December 31, 2011	Year Ended December 31, 2012	Year Ended December 31, 2013	Nine months ended September 30, 2013	Nine months ended September 30, 2014	Twelve months ended September 30, 2014
	(in millions)					
Net income attributable to Aleris	$ 68.7	$ 26.4	$ 19.0	$ 11.4	$ 26.0	$ 33.6
Interest						
Provision for (benefit from) income taxes	14.6	11.9	4.3	4.3	(0.7)	(0.7)
Depreciation and amortization	11.0	15.8	21.6	15.4	17.4	23.6
EBITDA	94.3	54.1	44.9	31.1	42.7	56.5
Restructuring charges(a)	0.2	2.4	3.3	3.2	2.0	2.1
Unrealized losses (gains) on derivative financial instruments(b)	3.2	(1.5)	(0.8)	0.2	0.6	(0.4)
Net income attributable to noncontrolling interest(c)	1.0	1.3	1.0	0.8	0.9	1.1
Loss/(gain) on disposal of assets(d)	0.1	0.8	1.3	0.7	1.7	2.3
Stock-based compensation expense related to GRSA employees(e)	0.8	1.8	1.0	0.9	0.9	1.0
Stock-based compensation expense related to non-GRSA employees(f)	2.2	2.4	3.8	2.8	2.7	3.7
Selling, general and administrative expenses allocated from Aleris not directly associated with GRSA(g)	13.6	12.0	12.6	8.6	9.5	13.5
Excluded facilities(h)	(6.7)	(3.6)	(3.3)	(2.2)		(1.1)
Medical expense adjustment(i)			4.3	3.5	2.3	3.1
Extreme winter weather(j)					2.1	2.1
Other(k)	(3.3)	(0.8)	1.4	1.1	1.1	1.4
Adjusted EBITDA(l)	$ 105.4	$ 68.9	$ 69.5	$ 50.7	$ 66.5	$ 85.3
Estimated increase in costs due to separation from Aleris(m)						(1.2)
Standalone Adjusted EBITDA						$ 84.1

(a) Represents costs related to the closure of facilities or the reduction of corporate overhead costs
(b) Represents the change in the fair value of derivative financial instruments that have not settled as well as the reversal of previously recorded unrealized gains or losses that settled during the period
(c) Represents the portion of net income earned by the minority partner of GRSA s Goodyear, Arizona facility
(d) Represents the gain or loss on the sale of assets
(e) Represents expense related to certain employees of GRSA who participate in the Aleris equity incentive plan recognized in accordance with ASC 718 Stock Compensation
(f) Represents an allocation of costs from Aleris pertaining to non-GRSA employees who participate in the Aleris equity incentive plan recognized in accordance with ASC 718 Stock Compensation; refer to notes 10 and 15 to the audited combined and consolidated financial statements of GRSA included elsewhere in this prospectus supplement for further discussion
(g) Represents selling, general and administrative expenses allocated from Aleris that will not directly relate to the GRSA business following the GRSA Acquisition, including costs for corporate executives and other corporate functions
(h) Represents the adjustment to exclude earnings of the GRSA operations that are now closed, or in the case of GRSA s Saginaw, Michigan facility, substantially idled
(i) Represents an adjustment to employer medical expenses related to GRSA employees. Historically Aleris has allocated total medical expense in the US (including non-GRSA operations) based on headcount. The adjustment was calculated based on actual costs incurred by GRSA employees compared to the allocation method described above
(j) Represents an adjustment for the natural gas costs related to the severe winter weather in the Mid-western U.S. during the first quarter of 2014

(k) These adjustments include: ($2.0) million related to insurance proceeds, ($2.0) million related to a reversal of bad debt expense, $0.5 million of other items and $0.2 million related to foreign currency losses for the year ended December 31, 2011; ($0.5) million related to a reversal of bad debt expense, ($0.4) million related to foreign currency gains, and $0.1 million of legal and advisory fees associated with potential acquisition targets for the year ended December 31, 2012; $0.7 million related to foreign currency losses, $0.4 million of legal and advisory fees associated with potential acquisition targets and $0.3 million of other items for the year ended December 31, 2013; $0.5 million related to foreign currency losses, $0.3 million of legal and advisory fees associated with potential acquisition targets and $0.3 million of other items for the nine months ended September 30, 2013; and $0.5 million related to inventory theft losses, $0.2 million of legal and advisory fees associated with potential acquisition targets, $0.1 million of foreign currency losses and $0.3 million of other items for the nine months ended September 30, 2014.

(l) The following table sets forth a reconciliation of segment income to Adjusted EBITDA for each of RSAA and RSEU:

	Twelve months ended September 30, 2014	
	RSAA	**RSEU**
	(in millions)	
Segment income	$ 68.2	$ 23.7
Items excluded from segment income and included in Adjusted EBITDA:		
Selling, general and administrative expenses allocated from Aleris directly associated with GRSA(i)	(7.1)	(4.3)
Items included in segment income and excluded from Adjusted EBITDA:		
Excluded facilities(ii)	(1.1)	
Medical expense adjustment(iii)	3.1	
Extreme winter weather(iv)	2.1	
Other(v)	0.7	
Adjusted EBITDA	$ 65.9	$ 19.4
Estimated increase in costs due to separation from Aleris(vi)	(3.4)	2.2
Standalone Adjusted EBITDA	$ 62.5	$ 21.6

(i) Represents the adjustment to include in Adjusted EBITDA, selling, general and administrative expenses allocated from Aleris primarily related to information technology, purchasing, human resources, credit and collections, treasury, and certain other corporate and infrastructure services.

(ii) Represents the adjustment to exclude earnings of the GRSA operations that are now closed, or in the case of GRSA s Saginaw, Michigan facility, substantially idled.

(iii) Represents an adjustment to employer medical expenses related to GRSA employees. Historically Aleris has allocated total medical expense in the US (including non-GRSA operations) based on headcount. The adjustment was calculated based on actual costs incurred by GRSA employees compared to the allocation method described above.

(iv) Represents an adjustment for the natural gas costs related to the severe winter weather in the Mid-western U.S. during the first quarter of 2014.

(v) Represents the adjustment of $0.5 million related to an inventory theft at a GRSA facility and $0.2 million of other items.

(vi) Represents the adjustment to costs described in footnote (m) below to reflect management s estimate of these costs post separation.

(m) Represents adjustments to costs to reflect management s estimate of additional expenses that GRSA expects to incur post-separation from Aleris as a stand-alone business. This amount represents a management estimate of the annualized additional expense, based on management s estimate of what such additional expense would have been in 2014, such amount is subject to change, and such changes may be material. See Risk Factors Risks Related to this Rights Offering, the GRSA Acquisition and the Financings If we consummate the GRSA Acquisition, we and GRSA may incur significant cost, time, effort and attention on integration and the development of necessary support. These may hinder our ability to realize the expected benefits of the GRSA Acquisition.

RISK FACTORS

An investment in our common stock involves risks. Prior to making a decision about investing in our common stock, and in consultation with your own financial and legal advisors, you should carefully consider the risk factors set forth below. The occurrence of any of these risks might cause you to lose all or part of your investment in our common stock.

Risks Related to this Rights Offering

The closing of this Rights Offering is conditioned on the closing of the GRSA Acquisition. The GRSA Acquisition may not be consummated in a timely manner or at all, including if we are unable to raise sufficient funds from the Financings to pay the purchase price under the Purchase Agreement.

The closing of the GRSA Acquisition is subject to certain customary closing conditions, including Aleris s transfer of certain discontinued property locations, the absence of legal impediments to the transaction or a material adverse effect on GRSA, the parties performance of their respective obligations under the Purchase Agreement, the accuracy of the representations and warranties in the Purchase Agreement, and the release of certain liens, guarantees and liabilities on certain Aleris debt. While the GRSA Acquisition is not contingent upon the consummation of any financing arrangement by us or our subsidiaries, we presently intend to use our currently available cash to fund only a portion of the $495 million cash purchase price. We plan to finance the remainder of the cash purchase price through a combination of the proceeds from the October 2014 Private Placement, the Equity Offering, this Rights Offering, the Senior Secured Notes, the Asset-Based Facility and the Factoring Facility and the NABCO Sale, with the potential to use various backstops from Aleris and two institutional investors. We have completed the October 2014 Private Placement, the Equity Offering and the NABCO Sale, we have closed the offering of the Senior Secured Notes into escrow, and we have commitments in place for certain of these other Financings, as well as the backstop arrangements to this Rights Offering with Aleris and the two institutional investors, in order to fund the GRSA Acquisition purchase price. However, we may fail to meet the conditions of the necessary Financing or we may fail to raise sufficient proceeds to fund the full cash purchase price. Therefore, there can be no assurance that we will be able to raise the necessary funds in a timely fashion in order to close the GRSA Acquisition, or at all.

This Rights Offering is contingent upon the consummation of the GRSA Acquisition. If the GRSA Acquisition is not consummated for any reason, this Rights Offering will not close, and subscribing holders will not be issued additional shares and will not be paid interest or penalty fees on such holders subscription amounts.

The market price of our common stock has been volatile and may continue to be volatile. If a holder participates in this Rights Offering, his, her or its subscription will be generally irrevocable, and such holder may be subscribing to purchase shares at a subscription price that no longer represents a discount to the prevailing market price at the time of issuance or thereafter.

As of the date of this prospectus supplement, the subscription price in the Rights Offering represents a significant discount to the prevailing market price. However, the market price of our common stock has experienced, and may continue to experience, significant volatility. During the past twelve months, our stock price has ranged from $6.35 to $11.75. Factors that could affect our stock price include operational issues, general market trends, business interruptions, changes in investor perception of the GRSA Acquisition, the Financings or the Company generally, any delays or changes in connection with the GRSA Acquisition or the Financings, unanticipated financial results or defaults on indebtedness.

The closing of this Rights Offering is contingent upon the consummation of the GRSA Acquisition, which will occur after the Expiration Date, and holders who participate in the Rights Offering must subscribe in a timely manner prior to the Expiration Date. Further, any exercise of subscription or oversubscription rights is irrevocable, except in the limited instance in which we extend the expiration of the Rights Offering by more than 30 days or if we make a fundamental change to the terms of the Rights Offering. We will not pay interest on funds delivered to the rights agent pursuant to the exercise of subscription rights.

There can be no assurance that the market price of our common stock will not decline after a subscribing holder elects to exercise his, her or its subscription rights. If that occurs, such holder may have committed to buy shares of our common stock in this Rights Offering at a price greater than the then-current market price, and such holder could have an immediate unrealized loss. Moreover, there can be no assurance that following the exercise of a holder s subscription rights, such holder will be able to sell his, her or its common stock at a price equal to or greater than the subscription price. Until shares are delivered upon the expiration of the Rights Offering, no subscribing holder will be able to sell the shares of our common stock that he, she or it subscribes for in the Rights Offering.

Holders who do not fully exercise subscription rights will have their ownership interests diluted.

If this Rights Offering is fully subscribed, this Rights Offering will result in our issuance of approximately 9,751,773 shares, or 56.2% of our common stock as of January 28, 2015, excluding potential subscriptions in respect of rights to purchase common shares by our Warrantholders. Any holder who chooses not to fully exercise subscription rights prior to the Expiration Date of the Rights Offering will have his, her or its relative ownership interest in the Company diluted. In addition, the potential relative ownership interest of any holder of currently convertible, exercisable or other derivative securities, including stock options, restricted stock, restricted stock units, or generally the Warrants (as defined below) will be diluted to the extent such holders do not exercise those securities prior to the Effective Date. Further, a holder of subscription rights who does not exercise the subscription rights prior to the Expiration Date will lose any value in the subscription rights.

The subscription rights are transferable only with the shares of common stock to which they are attached, and there is no separate market for the subscription rights.

Upon the Effective Date, one subscription right will attach to one share of our common stock as a unit, and holders may not sell, transfer or assign their subscription rights independent of the common stock to which such subscription rights attach. While such units of common shares with attached subscription rights are freely tradable, the subscription rights are only transferable along with the shares of our common stock to which they are attached. As a result, there is no specific market and little means for holders to directly realize any value associated with the subscription rights. Generally, in order to realize any value that may be embedded in the subscription rights, a holder must sell the unit of common stock with the subscription rights attached or exercise the subscription rights and acquire additional shares of our common stock.

Holders in California and other states will not be able to exercise subscription rights unless we are able to qualify the offer and sale of the subscription rights and common stock in those states.

We have applied for qualification of this Rights Offering with certain state securities commissions, including the State of California. There is no assurance that we will be able to qualify the offer and sale of the subscription rights and common stock in those states. If we are unable to obtain qualification prior to the Expiration Date, holders located in those states will not be able to exercise their subscription rights in this Rights Offering or may be otherwise restricted in their participation. Even if we obtain qualification, we may be unable to do so sufficiently in advance of the Expiration Date so that all required documents and payment are received by the rights agent prior to the Expiration Date. Holders who are unable to exercise their subscription rights will not have any value in the subscription rights and will have their relative ownership interest in the Company diluted. See Plan of Distribution .

The subscription price determined for this Rights Offering is not an indication of the fair value of our common stock.

The subscription price for the Rights Offering was determined based on determination of our management and Board, as assisted by our financial advisors, and the negotiation of the the terms of the Backstop Commitment Letter, which provided that the subscription price equal the lesser of (i) $6.50 per share, the offering price under the Equity Offering, or (ii) a 25% discount to the 10-day volume weighted average price of our common stock prior to the commencement of the Rights Offering. Therefore, the subscription price is not necessarily related to our book value, net worth or any other established criteria of value and may or may not be considered the fair value of our common stock to be offered in the Rights Offering. The Company cannot give any assurance that our common shares will trade at or above the subscription price in any given time period. After the date of this prospectus supplement, our common stock may trade at prices above or below the subscription price.

This Rights Offering may cause the price of our common stock to decrease.

The subscription price of $5.64 per share is lower than the average of the closing sales prices of our common stock over the thirty (30) trading day period ended January 28, 2015, the last trading day prior to the announcement of the subscription price. The average of the closing sales prices of our common stock over the thirty (30) trading day period ended January 28, 2015 was $7.50. The announcement of this Rights Offering and its terms, including the subscription price, together with the number of shares of common stock we could issue if the Rights Offering is completed, may have prompted, and may continue to result in, a decrease in the trading price of our common stock. This decrease may continue after the completion of the Rights Offering. If that occurs, any purchase of shares of our common stock in the Rights Offering may be at a price greater than the prevailing trading price. Further, if a substantial number of subscription rights are exercised and the holders of the shares received upon exercise of those subscription rights choose to sell some or all of those shares, the resulting sales could depress the market price of our common stock.

We may cancel, amend or modify this Rights Offering at any time prior to the Expiration Date in our sole discretion. Upon a cancellation, neither we nor the rights agent will have any obligation to any holder except to return exercise payments.

We may, in our sole discretion, decide not to continue with the Rights Offering or cancel the Rights Offering prior to the Expiration Date. If the Rights Offering is cancelled, we will issue a press release notifying stockholders of the cancellation and all subscription payments received by the rights agent will be returned, without interest, as soon as practicable.

Further, although we do not presently intend to do so, we reserve the right to amend or modify the terms of this Rights Offering in our sole discretion for any reason, including, without limitation, in order to increase participation in the Rights Offering. If we should make any fundamental changes to the terms set forth in this prospectus supplement including a change in the subscription price or number of shares of common stock purchasable by one subscription right, we will file a revised prospectus supplement, offer potential purchasers who have subscribed for rights the opportunity to cancel such subscriptions and issue a refund of any money advanced by such stockholder and recirculate an updated prospectus after the post-effective amendment is declared effective with the SEC. In addition, upon such event, we may extend the Expiration Date of this Rights Offering to allow holders of rights ample time to make new investment decisions and for us to recirculate updated documentation. Promptly following any such occurrence, we will issue a press release announcing any changes with respect to this Rights Offering and the new Expiration Date. The terms of the Rights Offering cannot be modified or amended after the Expiration Date.

This Rights Offering does not have a minimum amount of proceeds necessary to close and there can be no assurance that stockholders will choose to exercise their subscription rights or oversubscription rights up to the maximum amount of the Rights Offering. As a result, even if a holder exercises subscription rights, we may require additional capital and may need to rely upon the backstop arrangements to fund the GRSA Acquisition.

There can be no assurance that our stockholders will exercise their subscription rights. There is no minimum amount of proceeds required to complete this Rights Offering, but the Company does need the proceeds of this Rights Offering, or the Backstop Agreement and Backstop Notes, in order to finance the GRSA Acquisition. In addition, all exercises of subscription rights are irrevocable, even if a holder later learns information that he, she or it would consider to be unfavorable to the exercise of subscription rights and even if the Rights Offering is extended up to 30 days by our Board. If a holder exercises the basic subscription right or the oversubscription right, but we do not raise the desired amount of capital in this Rights Offering to finance the GRSA Acquisition, we will need to rely on the Backstop Agreement and Backstop Notes, each as further discussed in The GRSA Acquisition and Financings The Financing Arrangements, to supply the additional necessary capital for the GRSA Acquisition.

We have the right to limit the exercise of the subscription rights and oversubscription rights in this Rights Offering in order to protect our NOLs.

The Tax Benefit Protection Provision allows us to impose trading restrictions on persons who own, or as a result of any transaction would own, 4.9% or more of our common stock. We reserve the right to limit or reject any exercise of subscription rights or oversubscription rights, in whole or in part, to the extent that the exercise of some or all of a holder s subscription or oversubscription rights in this Rights Offering may result in a holder becoming a 4.9% or greater stockholder, any existing 4.9% stockholder acquiring additional shares, or certain transfers of any shares by any stockholder owning 5% or more of our common stock. In addition, holders may be required to provide certain information concerning their share ownership in order to help us enforce these restrictions.

If holders of our common stock do not act promptly and follow the subscription instructions, their exercise of subscription rights will be rejected.

Common stockholders that desire to purchase shares in this Rights Offering must act promptly to ensure that all required forms and payments are actually received by the rights agent prior to the Expiration Date. Any beneficial owner of shares must act promptly to ensure that his, her or its broker, dealer, custodian bank or other nominee acts for such holder and that all required forms and payments are actually received by the rights agent prior to the Expiration Date. We are not responsible if a holder s broker, custodian or nominee fails to ensure that all required forms and payments are actually received by the rights agent prior to the Expiration Date. If a holder fails to complete and sign the required subscription forms, sends an incorrect payment amount or otherwise fails to follow the subscription procedures that apply to an exercise in the Rights Offering prior to the Expiration Date, the rights agent will reject such subscription or accept it only to the extent of the payment received. Neither we nor our rights agent undertakes to contact any holder concerning an incomplete or incorrect subscription form or payment, nor are we under any obligation to correct such forms or payment. We have the sole discretion to determine whether a subscription exercise properly complies with the subscription procedures.

Following the exercise of subscription rights, but prior to the Expiration Date, shares of our common stock will be tradable in a market that is likely to be illiquid.

During the period of the Rights Offering, i.e., following the Effective Date but prior to the Expiration Date, our common stock will trade along with the associated subscription rights as a unit under a new CUSIP 82670K128. Therefore, if a holder transfers shares of common stock during the period of the Rights Offering and prior to the exercise of such subscription right, the subscription rights associated with those shares of common stock will transfer along with the shares of common stock. Following the exercise of the subscription rights, the unit will terminate and the common stock to which the subscription rights attach will be traded separately from such rights. These common shares that no longer have attached subscription rights will have a separate CUSIP until the Expiration Date. From and after the Expiration Date, our common stock will trade under CUSIP 82670K201. While the shares of common stock for which subscription rights have been exercised in this Rights Offering are freely tradable and will be quoted on the OTCQX, the fact that such shares will have a separate CUSIP than shares with the subscription rights still attached until the Expiration Date may result in reduced trading volume and market interest for such shares.

Our outstanding Warrants have special participation rights in connection with this Rights Offering which, among other things, could result in their exercise of subscription rights following the Expiration Date.

As further discussed in The Rights Offering Special Rights of the Warrantholders, the terms applicable to our Warrants provide special rights to such Warrantholders in respect of participation in this Rights Offering. First, Warrantholders receive 20 calendar days advance notice of the Effective Date of the Rights Offering in order to provide such Warrantholders with additional time to exercise their Warrants in advance of the Effective Date. Second, Warrantholders have a period of 90 calendar days following the Effective Date in which to exercise their subscription rights in respect of the shares of common stock for which such Warrants could have been exercised immediately prior to the Effective Date. Finally, if the Company does not issue subscription rights following the Warrantholder s request in accordance with the foregoing sentence, then upon any eventual exercise of the Warrant following the Effective Date, the Warrantholder will receive the subscription rights that such Warrantholder would have been entitled, along with the common stock for which the Warrant was exercised. As a result, our Warrantholders have a much longer period of time to exercise subscription and oversubscription rights than our common stockholders. As a result of the future issuances of shares of our common stock in connection with the exercise of the subscription and oversubscription rights of Warrantholders, our common stockholders may experience additional dilution from this Rights Offering after the Expiration Date.

Further, to the extent that any Warrantholder exercises subscription rights after the Expiration Date, the net proceeds from the sale of such common shares will not be available to the fund the purchase price of the GRSA Acquisition.

We may invest or spend the proceeds in this Rights Offering in our discretion, which may include ways with which holders may not agree and in ways that may not earn a profit.

We intend to use the net proceeds from this Rights Offering and the other Financings to pay expenses incurred in connection with the GRSA Acquisition and to pay the purchase price under the Purchase Agreement. However, we will retain discretion over the use of the net proceeds from this Rights Offering and, in the event that we raise amounts in excess of the amount necessary to pay expenses incurred in connection with the GRSA Acquisition and pay the purchase price under the Purchase Agreement, we may use such proceeds for financing future acquisition opportunities, working capital and capital expenditures. Stockholders may not agree with the ways we decide to use these proceeds, and our use of the proceeds may not yield any profits.

The tax treatment of this Rights Offering is somewhat uncertain, and it may be treated as a taxable event to our stockholders.

If the Rights Offering is deemed to be part of a disproportionate distribution under section 305 of the Internal Revenue Code, our stockholders may recognize taxable income for U.S. federal income tax purposes in connection with the receipt of subscription rights in the Rights Offering depending on our current and accumulated earnings and profits and our stockholders tax basis in our common stock. A disproportionate distribution is a distribution or a series of distributions, including deemed distributions, that has the effect of the receipt of cash or other property by some stockholders or holders of debt instruments convertible into stock and an increase in the proportionate interest of other stockholders in a company s assets or earnings and profits. It is unclear whether the fact that we have outstanding options and certain other equity-based awards could cause the receipt of subscription rights to be part of a disproportionate distribution. Please see Material U.S. Federal Income Tax Consequences for further information on the treatment of the Rights Offering.

Our executive officers, outside directors and large stockholders may significantly increase their relative ownership and voting interest in the Company to the extent our other existing stockholders do not exercise their full subscription rights.

While our Board members and executive officers have not entered into binding commitments to exercise subscription rights, we believe that most of our Board members and executive officers may participate in this Rights Offering. We believe, though there can be no assurance, that our two largest stockholders, ZCOF and H&W, generally, intend to exercise their basic subscription rights in the Rights Offering however, neither are under an obligation to subscribe and we can provide no assurance they will subscribe, or, if so, the number of shares for which they will purchase. Consequently, our executive officers, outside directors and, if the Board approves an increase under the Tax Benefit Preservation Provision, large stockholders may substantially increase their relative ownership and voting interest in the Company. However, because no officer, director or stockholder has entered into any commitment to subscribe for any shares, we can provide no assurance that these subscriptions will occur.

If all of our Board members and our executive officers exercised their subscription rights in full, without oversubscription, and no other stockholders exercise their subscription rights, the beneficial ownership of our executive officers and directors as a group would increase from 6.3% to 7.8% as of January 28, 2015, and each holder s relative ownership in the Company will be diluted. Even if some but not all other stockholders exercise their subscription rights, if our executive officers and outside directors exercise their subscription rights, their percentage of ownership of our common stock may increase.

Risks Related to the GRSA Acquisition and the Financings

If we consummate the GRSA Acquisition, we and GRSA may incur significant cost, time, effort and attention on integration and the development of necessary support. These may hinder our ability to realize the expected benefits of the GRSA Acquisition.

We are a holding company that has recently sold the subsidiary comprising our primary operating segment. Accordingly, GRSA represents a significantly larger operating business than the Company. GRSA operates substantially on a stand-alone basis from Aleris and maintains its own sales, marketing, product development, manufacturing and other administrative teams, while receiving support from Aleris with respect to legal, purchasing, information technology (IT), tax and certain other financial and operating services such as human resources (HR), insurance and treasury. GRSA will continue to operate as part of Aleris until closing of the GRSA Acquisition.

While we intend to operate GRSA predominantly as a stand-alone business with substantially the same organizational structure, operations, management team, employees and locations as are presently used in GRSA, the success of the GRSA Acquisition will substantially depend on our ability to incorporate GRSA into the Company and support its business needs, as well as to effectively manage this significantly larger business. Such challenges include (i) the integration of GRSA into our accounting reporting system and functions, (ii) the development, adaptation and maintenance of the operating and administrative support systems historically provided by Aleris on which GRSA has relied, including legal, purchasing, IT, tax, HR, insurance and treasury, and (iii) the ability of GRSA and management to adapt to our policies, procedures and support systems.

If the GRSA Acquisition is consummated, incorporation of, and development of the necessary support for, GRSA could be a lengthy process, requiring substantial expenditures by the Company, as well as significant time, effort and attention from the management teams and key employees of both the Company and GRSA. Such demands could divert needed resources from both businesses. Further, these challenges could result in the loss of key employees, disruption of the ongoing businesses and relationships with customers, suppliers and other third parties, diversion of management and corporate attention to integration issues, tax costs and inefficiencies, and inconsistencies in standards, controls, IT systems, accounting systems, procedures, policies, Sarbanes-Oxley controls and other administrative systems. If any of these factors limit our ability to integrate GRSA successfully or on a timely basis, we may not achieve the strategic, operational, financial and other benefits anticipated to result from the GRSA Acquisition to the fullest extent, on a timely basis or at all.

Beyond the purchase price, potential termination penalties, and the cost of our diligence and preparation associated with the GRSA Acquisition, we will incur significant transaction and integration costs in connection with the GRSA Acquisition and significant fees in connection with any delays in closing.

In addition to the $525 million purchase price, we will incur significant transaction costs in connection with the GRSA Acquisition and the Financings. Among these costs are fees or reimbursement of expenses under each of the Financings, including, notably, commitment, funding, duration, agency, and administration fees to the initial purchasers of the Senior Secured Notes and the parties providing the Term Loan Commitment (as defined below) and the Backstop Commitment Letters, the Asset-Based Facility and the Factoring Facility. Significant costs have been incurred and are expected to be incurred prior to the closing of the GRSA Acquisition, including related to legal, accounting, diligence and other transaction fees and expenses.

We presently anticipate that the GRSA Acquisition will be completed prior to, and many of our Financings are based upon a closing of the GRSA Acquisition or our Financings on or before, February 28, 2015. Under the Backstop Commitment Letter, as amended, we have extended the availability of the Backstop Notes to February 17, 2015, and we may further extend the availability of the Backstop Notes to March 1, 2015, upon written request and the payment of a $325,000 extension fee. We have obtained an extension of the original period of the Asset-Based Facility, and any further extension of the Asset-Based Facility beyond February 28, 2015 requires the consent of GE Capital.

In addition, while ultimately conditioned on the consummation of the GRSA Acquisition, we have closed the offering of the Senior Secured Notes in escrow as of January 8, 2015. The Senior Secured Notes will bear interest while in the escrow account pending the GRSA Acquisition. Further, our affiliates will be required to redeem the Senior Secured Notes, plus a 1% redemption fee, plus accrued and unpaid interest if the GRSA Acquisition has not been consummated before February 28, 2015, or May 5, 2015 under terms of an extension of our agreement.

There can be no assurance that the conditions to closing set forth in the Purchase Agreement or each of the Financings will be met or waived on the applicable timelines, or at all. As a result, we or our affiliates may incur significant costs or interest associated with any delays. Further, any delay in the closing of the GRSA Acquisition will increase the related transaction costs. The substantial majority of these costs will be nonrecurring expenses related to the GRSA Acquisition.

While we satisfy the closing conditions and pursue the Financings for the GRSA Acquisition, we and GRSA will be subject to business uncertainties that could adversely affect our and their businesses. Delays in closing the GRSA Acquisition could exacerbate these uncertainties and adverse effects.

Uncertainty about the effect of the GRSA Acquisition on the employees and customers of both the Company and GRSA may have an adverse effect on us and GRSA and, consequently, on the combined company. Although we and Aleris intend to take actions to reduce any adverse effects during the time period before closing, these uncertainties may impair our and their ability to attract, retain and motivate key personnel until the GRSA Acquisition is completed and for a period of time thereafter. These uncertainties could cause customers, suppliers and others that deal with GRSA, and to a lesser degree, our business, to seek to change existing business relationships with the two companies. Alternately, it could cause third parties who are considering doing business with us or GRSA to delay taking action until the outcome of the GRSA Acquisition or the Financings is known. Employee retention could be reduced during the pendency of the GRSA Acquisition, as employees of the Company or GRSA may experience uncertainty about their future roles with the combined company. If, despite retention and business partner management efforts, we or GRSA lose key employees or customer/supplier relationships because of concerns relating to the uncertainty and difficulty of the integration process or a desire not to remain with the combined company, the business, operations, prospects and financial results of the combined company could be harmed.

If the GRSA Acquisition is completed, as owner, we will operate a substantially larger entity in an industry and locations in which we do not currently operate, subject to additional regulations, risks and uncertainties that we have not previously faced. These could exceed our expectations and have a negative impact on our financial condition and results of operations.

If the GRSA Acquisition is consummated, the size of the Company and our primary operating segment following the transaction will change substantially compared with our current operations. As a result, any risk or uncertainty that is significant to GRSA, including those discussed below under Risks Related to GRSA, will also be significant to us and have a negative effect on our financial condition and results of operations.

If GRSA is unable to maintain compliance with U.S. federal, state and non-U.S. regulatory requirements, we could incur substantial costs, including fines, civil penalties and criminal sanctions, or costs associated with upgrades to improve facilities or changes in manufacturing processes in order to achieve and maintain regulatory compliance. While we intend to operate GRSA largely as a stand-alone business, our results of operations, financial condition and stock price will largely depend on how GRSA can handle its business risks and uncertainties. These risks and uncertainties may exceed our expectations, and it may take time for us to mitigate them.

The market price of our common stock after the GRSA Acquisition may be affected by factors different from those affecting our shares currently.

Our current business differs significantly from GRSA in several ways, including size, industry, geographic area, and applicable regulations. As a result, if the GRSA Acquisition is consummated, the results of operations of the combined company and the market price of our shares of common stock may be affected by factors different from those currently affecting our independent results of operations.

The GRSA Acquisition may not be accretive to earnings and if not accretive, may cause dilution to our earnings per share.

We currently anticipate that the GRSA Acquisition will be accretive to our adjusted earnings per share in the first complete fiscal year following its consummation. This expectation is based on our preliminary estimates, which may change materially. We may encounter additional or unforeseen transaction and integration-related costs, or we may fail to realize all of the anticipated benefits of the GRSA Acquisition. Any of these factors could cause a decrease in our adjusted earnings per share or decrease or delay the expected accretive effect of the GRSA Acquisition and contribute to a decrease in the price of our common stock.

Our acquisition of GRSA may expose us to unknown or contingent liabilities for which we will not be adequately indemnified.

The entities that we will acquire in the GRSA Acquisition may have unknown or contingent liabilities, including liabilities for failure to comply with environmental and other laws and regulations, and for litigation or other claims. While the Purchase Agreement includes indemnification provisions, the total amount of indemnification related to breaches of representations, warranties and covenants is generally capped at $67 million, excluding breaches of certain fundamental representations, and representations relating to taxes and Title IV of ERISA, and, generally, Aleris will not be obligated to indemnify us until the aggregate amount of all losses exceeds a deductible of $3 million, and then only to the extent that the losses exceed such deductible. However, certain scheduled environmental matters are subject to a deductible of approximately $23.9 million. Based on these provisions we may incur material liabilities for the past activities of GRSA. Such liabilities and related legal or other costs and/or resulting reputational damage could negatively impact our business, financial condition and results of operations.

We will issue at least $25 million in Series B Preferred Stock if we consummate the GRSA Acquisition, which will have superior rights to our common stock.

In connection with the GRSA Acquisition, we have agreed to create and issue $30 million in Series B Preferred Stock to Aleris to be held in an escrow in order to secure Aleris s indemnification obligations under the Purchase Agreement; this amount will be reduced to $25 million in Series B Preferred Stock and $5 million in cash if the net proceeds of the this Rights Offering are at least $45 million. In addition, under the Backstop Agreement, Aleris is required to purchase up to an additional $30 million of Series B Preferred Stock under certain circumstances. If we consummate the GRSA Acquisition and issue the Series B Preferred Stock, it could have a material impact on the rights of our common stockholders in terms of dividends, repurchases and redemptions by, or in the event of a liquidation of, the Company.

We will pay quarterly dividends on the Series B Preferred Stock, increasing from 7% for the first eighteen months after the issue date, to 8% for the next twelve months thereafter, to 9% thereafter, with dividends payable in kind for the first two years, and thereafter in cash. Other than dividends or distributions payable on our common stock in shares of common stock, the Series B Preferred Stock will rank superior to our common stock in the payment of accrued and accumulated dividends, declaration and payment of new dividends and distributions, and making of redemptions. In addition, without the consent of the holders of a majority of the Series B Preferred Stock, we are prohibited from paying dividends on our common stock for a period of two years after the Series B Preferred Stock is issued.

The Series B Preferred Stock will generally have no voting rights, except, among other customary matters, for any merger (unless the Series B Preferred Stock remains outstanding or is purchased at the liquidation preference), for any acquisition valued at more than 5% of the consolidated assets of the Company (so long as at least $10 million in aggregate principal amount of Series B Preferred Stock remain outstanding), or (for the first two years of the Series B Preferred Stock) for the declaration or payment of cash dividends on the common stock or generally the purchase, redemption or acquisition of common stock (outside of shares issued to the parties to the Backstop Commitment Letters and certain employee issuances). For more information on the Series B Preferred Stock, see Description of Capital Stock Series B Preferred Stock.

Our current debt agreements, the proposed Financings in connection with the GRSA Acquisition and future debt financing arrangements that we or our subsidiaries may enter into otherwise, may contain various covenants that limit our ability to take certain actions and also require us to meet financial maintenance tests. Failure to comply with these limits could have a material adverse effect on our operations, business and financial results.

As of September 30, 2014, we had approximately $15.8 million of indebtedness outstanding, which was all related to our Industrial Supply segment and has been repaid in full upon the January 9, 2015 closing of the NABCO Sale. Our outstanding indebtedness, including the indebtedness of SGH Escrow and excluding the indebtedness of NABCO, would have been approximately $382.8 million had the GRSA Acquisition and the proposed Financings occurred as of September 30, 2014. Further, GRSA will have additional borrowing capacity under the Asset-Based Facility and Factoring Facility and, in certain circumstances, we may issue up to $20 million of Backstop Notes to finance a portion of the GRSA Acquisition. Interest costs related to this indebtedness, together with the dividends on the Series B Preferred Stock we expect to issue, will be substantial. The Senior Secured Notes, the Asset-Based Facility, the Factoring Facility, the Backstop Notes (if funded) and the Series B Preferred Stock, and the instruments governing our other future indebtedness contain, or will contain, certain customary restrictions, covenants, provisions for mandatory repayment upon the occurrence of certain events, and provisions for events of default that will require us or GRSA (through Real Alloy) to satisfy certain financial tests and maintain certain financial ratios, restrict our or GRSA s ability to engage in specified types of transactions, and otherwise limit the distributions of funds from GRSA to us. This overall leverage and the terms of our financing arrangements could:

- limit the ability to pay dividends, especially from Real Alloy to us in respect of GRSA;
- make it more difficult to satisfy obligations under the terms of this indebtedness;
- limit the ability to refinance this indebtedness on terms acceptable to GRSA or us, or at all;
- limit the flexibility to plan for and adjust to changing business and market conditions in the industries in which we or GRSA operate and increase the vulnerability to general adverse economic and industry conditions;
- require the dedication of a substantial portion of cash flow to make interest and principal payments on such debt, thereby limiting the availability of cash flow to distribute to us or to fund future acquisitions, working capital, business activities, and other general corporate requirements;
- restrict sales of key assets;
- limit the ability to substantially change our business or enter into new lines of business;
- limit the ability to obtain additional financing for working capital, to fund growth or acquisitions or for general corporate purposes, even when necessary to maintain adequate liquidity, particularly if any ratings assigned to our debt securities by rating organizations were revised downward; or
- subject us to higher levels of indebtedness than our competitors, which may cause a competitive disadvantage and may reduce our flexibility in responding to increased competition.

In addition, the restrictive covenants in the Asset-Based Facility and the Factoring Facility and certain other indebtedness would or could require us to maintain specified financial ratios and satisfy other financial conditions and tests. Our ability to meet those financial ratios, conditions and tests will depend on our ongoing financial and operating performance, which, in turn, will be subject to economic conditions and to financial, market, and competitive factors, many of which are beyond our control. A breach of any of these covenants could result in a default under the instruments governing our indebtedness.

With respect to the GRSA Acquisition, if consummated, challenges with integration, the industry, operations and other business, market and acquisition-related risks, as well as various uncertainties and events beyond our control, could affect our ability to comply with such restrictions and covenants. Failure to comply with any of the restrictions and covenants in our existing or future financing arrangements could result in a default under those arrangements and under other arrangements containing cross-default provisions.

Upon the occurrence of an event of default under any such financing arrangement, the relevant lenders could assess increased interest rates, accelerate the maturity of the debt or foreclose upon any collateral securing the debt. In this event, we may lack sufficient funds or other resources to satisfy all of our obligations. In addition, any limitations imposed by financing agreements on our ability to incur additional debt or to take other actions could significantly impair our ability to obtain other financing.

We do not currently control GRSA and will not control GRSA until the completion of the GRSA Acquisition.

We will not control GRSA unless and until the GRSA Acquisition is completed. The Purchase Agreement imposes certain customary limitations on how GRSA may be managed while the GRSA Acquisition is pending, but there can be no assurance that GRSA will be operated in the same way as it would be under our control.

Impairment of GRSA s intangible assets could result in significant charges that could adversely impact our future operating results.

Although following the NABCO Sale we presently have only modest intangible assets, GRSA is expected to have significant intangible assets, including goodwill, which are susceptible to impairment charges as a result of changes in various factors or conditions. As has been our past practice with our other operating subsidiaries, we will assess the potential impairment of goodwill and indefinite-lived intangible assets on an annual basis, as well as whenever events or changes in circumstances indicate that the carrying value may exceed fair value. We will assess finite-lived intangible assets whenever events or changes in circumstances indicate that the carrying value may exceed fair value. Adverse changes in the operations of our businesses or other unforeseeable factors could result in an impairment charge in future periods that could adversely impact our results of operations and financial position in that period.

The unaudited pro forma condensed combined financial information included in this prospectus supplement is presented for illustrative purposes only and does not represent what the financial position or results of operations of the combined company would have been had the GRSA Acquisition, NABCO Sale or the Financings been consummated on the dates assumed for purposes of that pro forma information nor does it represent our actual financial position or results of operations following the GRSA Acquisition, NABCO Sale or the Financings.

The unaudited pro forma condensed combined financial information contained in this prospectus supplement is presented for illustrative purposes only, contains a variety of adjustments, assumptions and preliminary estimates, is subject to numerous other uncertainties and does not necessarily reflect what our financial position or results of operations would have been had the GRSA Acquisition, NABCO Sale or the Financings been consummated as of the dates assumed for purposes of that pro forma financial information nor does it reflect our financial position or results of operation following the GRSA Acquisition, NABCO Sale or the Financings. The pro forma adjustments included in the pro forma condensed combined financial information related to GRSA are based on the preliminary information available to our management at the time of the preparation of this document. For purposes of the unaudited pro forma condensed combined financial information, the estimated purchase price under the Purchase Agreement has been preliminarily allocated to the assets acquired and liabilities assumed based on limited information presently available to us to estimate fair values. The purchase price will be allocated among the relative fair values of the assets acquired and liabilities assumed based on their estimated fair values as of the closing of the GRSA Acquisition. The final allocation is dependent upon certain valuations and other analyses that cannot be completed prior to closing of the GRSA Acquisition. The actual amounts may differ materially from the information presented in the accompanying unaudited pro forma condensed combined financial information.

Additionally, the unaudited pro forma condensed combined financial information does not reflect balances or results of operations of NABCO, or the cost of any integration activities nor does it include any other items not expected to have a continuing impact on the consolidated results of operations. Further, the unaudited pro forma condensed combined financial information does not reflect any increases to our selling, general and administrative expenses that may result from our ownership of GRSA. The unaudited pro forma condensed combined financial information has also been prepared on the assumption that the GRSA Acquisition and the Financings will be completed on the terms and in accordance with the assumptions set forth under Unaudited Pro Forma Condensed Combined Financial Information included in this prospectus supplement. The purchase price and the terms of the GRSA Acquisition and the terms of the Financings may change, perhaps substantially, from those reflected in this prospectus supplement and, because this Rights Offering and certain of the other Financings are not contingent upon completion other Financings, it is possible that one or more of the Financings will not be completed. See Unaudited Pro Forma Condensed Combined and Consolidated Financial Information in this prospectus supplement and the consolidated financial statements of the Company and the combined and consolidated financial statements of GRSA included elsewhere in this prospectus supplement.

The actual financial position and results of operations of each of the Company and GRSA prior to the GRSA Acquisition and that of the Company following the GRSA Acquisition may not be consistent with, or evident from, the unaudited pro forma condensed combined financial information included in this prospectus supplement. In addition, the assumptions or estimates used in preparing the unaudited pro forma condensed combined financial information included in this prospectus supplement may not prove to be accurate and may be affected by other factors. Any significant changes in the market or assumed public offering price of our common stock, the size of any of the Financings, the amount of funding of each of the Asset-Based Facility, the Factoring Facility, the Backstop Notes, the Series B Preferred Stock, the amount of net proceeds generated by this Rights Offering, or the cost of the GRSA Acquisition (whether as a result of contractual purchase price adjustments or otherwise) from those assumed for purposes of preparing the pro forma condensed combined financial information may cause a significant change in the pro forma financial information. The pro forma adjustments for the GRSA Acquisition do not include any adjustments to the purchase price that may occur pursuant to the Purchase Agreement, and any such adjustments may be material.

Although the unaudited pro forma condensed combined financial information included in this prospectus supplement includes disclosures that are intended to assist holders in quantifying the impact of changes in the number of shares of our common stock that may be issued in this Rights Offering, the amount of the Backstop Notes and Series B Preferred Stock being issued, and the assumed interest rate on each of the Asset-Based Facility, the Factoring Facility or the Backstop Notes on that pro forma information, those disclosures do not address any changes in the size of this Rights Offering or any of the other Financings and therefore may not be adequate to allow holders to quantify the impact of all of the changes that may occur in the terms of this Rights Offering or the other Financings.

Risks Related to Our Business

With the sale of our principal operating and indirect wholly owned subsidiary, NABCO, there is a wholesale change in our operations. Further, pending the GRSA Acquisition, we will need to rely on an exemption to avoid registration as an investment company under the Investment Company Act of 1940.

We are in the business of acquiring controlling interests in operating companies and leveraging the strengths of our platform, public company status, sizable NOLs, and management team to grow and develop our acquired companies. On January 9, 2015, we sold

NABCO, a wholly owned subsidiary of SGGH, LLC that comprised Industrial Supply, our principal operating segment. In connection with such sale, we have terminated and repaid in full NABCO s line of credit and term loans. We intend to use a substantial portion of the net proceeds from the sale of NABCO, less up to $10 million that we will retain in unrestricted cash on our balance sheet, in connection with the financing for the GRSA Acquisition.

Following the NABCO Sale and pending the GRSA Acquisition, we may be classified as a transient investment company under the Investment Company Act of 1940 (1940 Act). While we are not engaged primarily in the business of investing, reinvesting, or trading in securities, and we do not hold ourselves out as being engaged in those activities, under the 1940 Act, following the NABCO Sale and prior to the consummation of the GRSA Acquisition, we may be within the scope of section 3(a)(1)(C). Classification as an investment company under the 1940 Act requires registration with the SEC. If an investment company fails to register and has no valid exemption or grace period from registration, it would have to stop doing almost all business, and its contracts would become voidable. Registration is time consuming and restrictive, and we would be very constrained in the kind of business we could do as a registered investment company.

However, an exclusion from registration as an investment company with the SEC provides a grace period of one year from the date of classification (for us, the NABCO Sale on January 9, 2015), so long as the company does not intend to engage primarily in the business of investing, reinvesting, owning, holding or trading in securities. The Board has resolved and determined that we not engage in the business of investing, reinvesting, owning, holding or trading in securities, and we intend to consummate the GRSA Acquisition as quickly as possible. However, there can be no assurance that we will be able to complete the GRSA Acquisition by the applicable one-year deadline, or at all.

Our financial condition and results of operations will depend on our ability to acquire and integrate businesses that perform and meet expectations after closing.

A key element of our business strategy involves the acquisition and integration of profitable operating businesses. We may experience challenges identifying, financing, consummating and integrating such acquisitions. While we have reviewed various acquisition opportunities and completed efforts since the fall of 2013 to facilitate such growth, competition exists in the market for the acquisition of profitable operating companies. We may not be able to find suitable acquisition opportunities that are available at attractive valuations, if at all. Even if we do find suitable acquisition opportunities, we may not be able to consummate the acquisitions on commercially acceptable terms, as suitable financing arrangements may not be available on acceptable terms, on a timely basis, or at all.

Even if we are successful in completing additional acquisitions, acquisitions could require significant investments of capital, management attention, and integration effort. We may also encounter difficulties in assimilating and integrating the operations, personnel, technologies, products and information systems of acquired companies, and retaining key personnel. We may also incur significant goodwill impairment charges in the future. Acquisitions could disrupt relationships with existing customers, suppliers and strategic partners of the newly acquired entities and may create other contractual, intellectual property or employment issues. The acquisition of another company or business may also require us to enter into a business or geographic market in which we have little or no prior experience. These challenges could disrupt our ongoing business, distract our management and employees, harm our reputation and increase our operating costs, and these challenges could be magnified as the size of the acquisition increases.

There can be no assurance that we will be able to consummate any future acquisitions or that, if consummated, we will realize the benefits anticipated from these acquisitions. Even if we are able to grow and build our operations, any failure to manage our growth effectively could have a material adverse effect on our business, financial condition, results of operations and prospects.

We have experienced substantial losses and may continue to experience losses for the foreseeable future.

For the years ended December 31, 2013 and 2012, we reported net losses of $10 million and $7.5 million, respectively, and on a pro forma basis reflecting the NABCO Sale, our net loss for the year ended December 31, 2013 would have been $15.8 million. Our net loss increased in 2013, and since emerging from bankruptcy in 2010, we have continued to have significant operating costs, including compensation, legal, professional and other outside services expenses, occupancy, and other general and administrative expenses. While we believe we made significant progress in reducing our operating costs since summer 2013, with the NABCO Sale we have changed, and with the pending GRSA Acquisition, plan to continue to fundamentally change, the nature of our operations and our operating costs may change significantly. Therefore, we may continue to experience operating losses and net losses for the foreseeable future, which could make it difficult to fund our operations, finance acquisitions and achieve our business plan, any of which could cause the market price of our common stock to decline.

Our ability to use our U.S. federal NOLs to offset future taxable income may be limited as a result of past events, the Equity Offering, the NABCO Sale, this Rights Offering, the GRSA Acquisition or the other Financings, or as the result of future acquisitions or other issuances or transfers of our common stock.

As of December 31, 2013, we reported U.S. federal NOLs of approximately $932.8 million, which begin to expire if not used by December 31, 2027. For accounting purposes, a valuation allowance is required to reduce our potential deferred tax assets if it is determined that it is more likely than not that all or some portion of such assets will not be realized due to the lack of sufficient taxable income. Our financial statements currently provide a full valuation allowance against all of our federal NOLs.

Our ability to fully utilize our existing NOLs could be limited or eliminated as a result of changes in federal tax laws and regulations or should we: (i) be found by the Internal Revenue Service (IRS) not to be able to avail ourselves of Section 382(l)(5) of the Tax Code in connection with the Plan of Reorganization in 2010; (ii) undergo an ownership change as described under Section 382 of the Tax Code; (iii) be deemed to have abandoned active business; or (iv) not return to profitability or be only marginally profitable in the future.

The Company was incorporated as Fremont General Corporation (Fremont) in 1972. On June 11, 2010, Fremont completed the Plan of Reorganization and emerged from Chapter 11 bankruptcy proceedings with the Company s present name, Signature Group Holdings, Inc. Although we cannot assure you that the IRS will agree with our position, we believe that, as of the Company s emergence from bankruptcy proceedings, the Company met the criteria under Section 382(l)(5) of the Tax Code to be able to utilize its NOLs to offset future income generated by the Company, if any.

Our ability to utilize our NOLs, however, will be subject to significant limitation for federal and California state income tax purposes if the Company undergoes an ownership change as defined in Section 382 of the Tax Code. For this purpose, an ownership change is generally defined as greater than a 50% change in equity ownership by value over a rolling three-year period. We may experience an ownership change in the future as a result of changes in our common stock ownership, which would result in a limitation on our ability to utilize our NOLs. Separately, any changes to tax rules or the interpretation of tax rules could negatively impact our ability to recognize benefits from our NOLs.

While there is no guarantee that the IRS will agree with our position, we believe that the Equity Offering, this Rights Offering, the other Financings and the GRSA Acquisition, as presently contemplated, should not result in an ownership change for purposes of Section 382 of the Tax Code. Certain limitations will be imposed on the exercise of subscription rights in this Rights Offering (including transfer restrictions on the subscription rights), in the Backstop Agreement and on the structure of the GRSA Acquisition in order to minimize the impact of these transactions on our ownership shift calculation (the Structure Limitations). Additionally, the Company adopted the Tax Benefit Preservation Provision in order to protect stockholder value by preserving our NOLs. See The Offering NOL Preservation Strategy. There is no guarantee, however, that the Structure Limitations and the Tax Benefit Preservation Provisions will be effective in protecting our NOLs and other tax assets.

In the event that the Equity Offering, this Rights Offering, the other Financings and the GRSA Acquisition occur in the manner currently contemplated, the Company expects to receive an opinion letter (the Section 382 Opinion Letter) from its U.S. tax counsel, Blank Rome LLP, substantially to the effect that these transactions should not result in an ownership change for U.S. federal income tax purposes and that the Company may use its NOLs to offset future U.S. taxable income generated by the GRSA Business. The Company s receipt of the Section 382 Opinion Letter will be dependent upon, among other things, the continuing validity of various IRS rulings and various assumptions (including assumptions regarding the terms of the Equity Offering, this Rights Offering, the GRSA Acquisition and the other Financings) and the receipt of representations to be made by us as to certain factual matters which, if inaccurate or incomplete or fail to materialize in any respect, would jeopardize any conclusions reached in the Section 382 Opinion Letter. There can be no assurance that: (i) the Company will receive the Section 382 Opinion Letter prior to either (a) the GRSA Acquisition, or (b) Blank Rome LLP s receipt of the representations to be made by us; or (ii) Blank Rome LLP will be able to render the Section 382 Opinion Letter at all. In addition, the completion of this Rights Offering is not conditioned upon our receipt of the Section 382 Opinion Letter. Moreover, the Section 382 Opinion Letter will be restricted to the precise terms described therein and the Company or its stockholders may engage in subsequent transactions that would result in an ownership change. We do not intend to close the GRSA Acquisition, and therefore the other Financings that will be conditioned on the closing of the GRSA Acquisition, if we do not receive the Section 382 Opinion Letter or if we otherwise determine that the GRSA Acquisition or such other financings, if completed, will materially threaten the use of our NOLs.

The amount of our NOLs has not been audited or otherwise validated by the IRS. The IRS could challenge the amount of our NOLs and other tax assets, which could result in an increase in our liability for income taxes in the future. Further, our NOLs only have value to the extent we generate taxable income in the United States. If we are unable to generate taxable income prior to the expiration of the NOLs, if we are only marginally profitable during such period or to the extent our earnings are subject to non-U.S. tax, we will be limited in our ability to utilize the tax benefits related to our NOLs. There can be no assurance that we will have sufficient taxable income to be able to utilize our NOLs prior to their expiration.

The use of federal and state NOLs is subject to various tax laws and regulations and the changes in such or the interpretations thereof. In California, for example, during 2011, we were unable to utilize any of our state NOLs due to a state moratorium on the usage of NOLs. While the moratorium expired on December 31, 2011, no assurance can be made that we will be able to use our California state NOLs in the future.

Funding for our future acquisitions and operations could increase our liabilities, trigger negative tax consequences or dilute, or rank preferentially to, our stockholders.

We intend to fund any future acquisition through a mix of our available cash, the sale of equity securities in private placements or in registered offerings under our shelf registration statement (declared effective on September 26, 2013), rights offerings to existing stockholders, and debt financings. As disclosed in this prospectus supplement, we intend to use all those financing sources to finance the GRSA Acquisition. Utilizing these funding sources can result in increased debt or contingent liabilities, adverse tax consequences or substantial capital commitments. Any of these events could negatively impact our financial condition and results of operations and could cause the price of our common stock to decline.

We currently have 10,000,000 shares of blank check preferred stock available for issuance and an effective shelf registration statement, although we expect to use a portion of the capacity thereunder for financing the GRSA Acquisition. In order to fund our future operations or acquisitions, we may sell equity securities or convertible debt securities, which securities could have rights, preferences and privileges senior to our existing stockholders. In such event, future security holders could be entitled to dividends, liquidation or other transaction preferences, or voting rights that are not provided to our existing common stockholders. Further, with or without preferential terms, future issuances of securities could result in dilution to our stockholders.

Our pending legal proceedings and other contingent liabilities may impact our financial condition and results of operations, lowering our stock price, and limiting our ability to use our common stock as consideration in future transactions.

We are subject to a number of lawsuits seeking monetary damages or injunctive relief and have potential other contingent liabilities, including repurchase claims, which relate to the discontinued operations of SGGH, LLC. For a summary of our material legal proceedings, see Legal Proceedings in Note 19 Commitments and Contingencies in the Notes to Consolidated Financial Statements, included in Part IV, Item 15 of Annual Report on Form 10-K for the year ended December 31, 2013 and Note 14 Commitments and Contingencies in the Notes to Unaudited Condensed Consolidated Financial Statements, included in Part I, Item 1 of our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2014. See Where You Can Find More Information and Information Incorporated By Reference. Additional litigation may be filed against us or disputes may arise in the future concerning matters involving the discontinued operations. We have been and intend to continue to vigorously defend ourselves in all legal proceedings in which we are involved, however, the outcome of litigation and other legal matters is always uncertain and could materially adversely affect our liquidity, financial condition and results of operations. Furthermore, the costs to defend the Company in these matters may be significant. In turn, these could have a material impact on the price of our common stock. In addition, a decline in our stock price may limit our ability to utilize our common stock as consideration for potential future acquisitions and other transactions in which we may engage.

SGGH, LLC has received repurchase claims relating to certain residential mortgage loans sold by our discontinued operations. SGGH, LLC may receive additional claims in the future that, unless withdrawn or settled within the limits of the established repurchase reserve, could adversely affect our financial condition and results of operations.

As of September 30, 2014, SGGH, LLC had $101.7 million of outstanding repurchase claims associated with claims of breaches of certain representations and warranties related to the residential real estate mortgages sold by Fremont Investment & Loan (FIL), the primary operating subsidiary of our predecessor Fremont General Corporation. SGGH, LLC maintains a repurchase reserve for the estimated losses it may experience from repurchase claims, both known and unknown, based on the representations and warranties FIL provided to counterparties that purchased the residential real estate loans, largely from 2002 through 2007. While management believes the $5.8 million repurchase reserve liability is sufficient as of September 30, 2014, the reserve is subjective and is based on management s current expectations based on facts currently known. Although the last mortgage loan purchase agreement entered into by FIL was executed in mid-2007, there is no certainty that other claims will not also be asserted against SGGH, LLC or us. Changing or new facts and circumstances could cause us to increase the repurchase reserve in future periods or may cause us to experience losses in excess of the repurchase reserve liability. Any material increase in, or change in the nature of, repurchase claim activity and payout amounts, the repurchase reserve, or changes in our ability to object to, defend or settle such claims, could have a material adverse effect on our financial condition and results of operations. See Critical Accounting Policies in Part II, Item 7 of our Annual Report on Form 10-K for the year ended December 31, 2013 for additional information related to our repurchase reserve. See Where You Can Find More Information and Information Incorporated By Reference.

SGGH, LLC is subject to residential mortgage-backed securities defense, indemnity and contribution claims.

In connection with residential mortgage-backed securities offerings (RMBS Offerings) involving loans originated by FIL, either or both of FIL and its subsidiary entered into mortgage loan purchase agreements, underwriting agreements and indemnification and contribution agreements, which contained various representations and warranties relating to the loans. Investment banks involved in these RMBS Offerings have been sued in a number of actions concerning their activities related to subprime mortgages (RMBS Actions), where neither FIL, nor its subsidiary, are a named defendant. FIL and its subsidiary have received demands for defense, indemnity and contribution from defendants in various RMBS Actions. Each of these demands has been rejected as we believe the demanding parties are being sued for conduct not chargeable to FIL or its subsidiary. There is no assurance that FIL or its subsidiary will not be named as a defendant in additional RMBS Actions or receive additional demands for defense, indemnity and contribution. We intend to vigorously defend any claims seeking defense, indemnity or contribution, but we cannot presently predict whether such claims will be pursued or what the outcome would be. However, if the investment banks suffer losses in connection with RMBS Actions and successfully pursue claims against FIL, its subsidiary or us, this could have a material adverse effect on our consolidated financial position, results of operations and cash flows.

We depend on key personnel to achieve our business and strategic objectives.

We depend on the members of our senior management team, particularly Craig Bouchard, Kyle Ross and Chris Manderson, to execute our business plan and strategy and to manage our business and day-to-day operations, including identifying, structuring, closing and monitoring business acquisitions. These members of our senior management team have critical industry experience and relationships that we rely upon to implement our business plan. If we lose the services of one or more of these individuals, it may take us significant time, effort and cost to identify and hire suitable executives with the appropriate experience and expertise to join the Company, and in the meantime, we may not be able to operate our business or identify and manage our business as we planned. As a result, our ability to compete could be harmed. All of these consequences could have a material adverse effect on our business, financial condition and results of operations.

We have experienced significant changes in our management team, Board of Directors and business strategy during our recent operating history.

Our predecessor company emerged from bankruptcy proceedings in June 2010 with a new management team and Board, as well as a new business plan and strategy. Since then, we have experienced changes in our Board and management in each of 2011, 2012 and 2013. Additionally, in the future, we may have turnover in the members of our management team or the Board. Any such future turnover may require time, effort and cost and may divert the attention of the management team and Board away from our operations and business objectives.

SGGH, LLC has $5.1 million in remaining unpaid bankruptcy claims that could have a material adverse effect on our capital resources and distract our management team if we are unsuccessful in objecting to, litigating or settling these matters in the near future.

As of September 30, 2014, there remained two open unpaid claims filed with the United States Bankruptcy Court for the Central District of California, Santa Ana Division totaling $5.1 million. SGGH, LLC plans to continue to litigate those claims, which litigation has been costly both in terms of legal fees, as well as management s time in addressing these matters. If SGGH, LLC is unsuccessful in resolving such litigation in the near future, or is unable to negotiate substantially reduced settlements for the remaining claims, and SGGH, LLC is obligated to pay these amounts, it could have a material adverse effect on our financial condition and results of operations. See Note 19 Commitments and Contingencies in the Notes to Consolidated Financial Statements included in Part IV, Item 15 of our Annual Report on Form 10-K and Note 17 Commitments and Contingencies in the Notes to Unaudited Condensed Consolidated Financial Statements included in Part I, Item 1 of our Quarterly Report on Form 10-Q for the fiscal quarter ended September 30, 2014 for additional information about the Colburn and Walker matters.

We have continuing indemnity obligations in connection with the NABCO Sale.

Under our Purchase Agreement, dated January 9, 2015, with PNC Riverarch Capital, a division of PNC Capital Finance, LLC, we and SGGH, LLC each have customary indemnification obligations related to our representations, warranties, covenants and other obligations. While the indemnification is capped at an aggregate of $7.8 million for breaches of most representations and warranties, other indemnification obligations are not limited. Should a significant claim arise, we could be required to use the $3.9 million indemnification escrow and pay an additional material amount of our available cash to fund or address any such indemnified liability, including the costs of negotiating or defending claims from the purchasers of NABCO or third parties and the final costs of the liability.

Our operations may not perform as expected and we may not realize full value for assets we sell.

Based on any number of factors, our operations may not perform as expected. Further, in the ordinary course of business, we review whether it is appropriate to characterize certain portions of our operations as discontinued operations. As a result, we may from time to time decide to sell operating subsidiaries or assets. As discussed above, we sold NABCO on January 9, 2015. There can be no assurance that we will be successful in completing any such future transactions. If such a transaction is completed, it may reduce the size of our business. There is also no assurance that we will receive adequate consideration in the disposition of any operating subsidiary or asset. As a result, our future disposition of operating subsidiaries or assets could have a material adverse effect on our business, financial condition, and results of operations.

If we fail to maintain an effective system of internal control over financial reporting or experience material weaknesses in our system of internal control, we may not be able to report our financial results accurately or on a timely basis and may not be able to detect fraud, any of which could materially and adversely affect our business and our stock price.

As of December 31, 2013, our management believes that our disclosure controls and procedures and internal control over financial reporting are operating effectively. However, management has previously identified a material weakness in our system of internal controls. As determined as of December 31, 2011, we had a material weakness related to our inability to maintain a sufficient number of financial and accounting personnel with the appropriate level of accounting knowledge and experience in order to provide timely, accurate and reliable financial statements in accordance with GAAP. Under the supervision and with the participation of our CEO and CFO, our management (a) acquired accounting and financial reporting resources with the appropriate accounting knowledge and experience, and (b) implemented new disclosure controls and procedures, which, we believe, remediated the material weakness as of September 30, 2012.

If we fail to maintain or enhance our internal control over financial reporting or fail to properly maintain an effective system of internal control over financial reporting, we may be unable to detect fraud or to report our financial results accurately and on a timely basis. The existence of any such deficiencies and/or weaknesses, even if cured, could also lead to the loss of investor confidence in the reliability of our financial statements, which could negatively impact the price of our common stock. Such deficiencies or material weaknesses may also subject us to lawsuits, investigations and other penalties.

We have a lean operations staff that we believe is appropriate for our current business. In addition, our business strategy contemplates the acquisition of businesses and the operation of subsidiaries whose financial results will be consolidated into our financial statements and reporting. As a result of these business activities and our future growth, the scope of our internal control over financial reporting will have to expand, which may subject us to increased internal control risks, especially as new businesses are integrated into our processes. Effective internal control over financial reporting must be established and maintained in connection with these acquisitions, if any, in order for us to produce accurate and timely financial reports. Failure to do so would result in our inability to report our financial results accurately and on a timely basis, and possibly lead to other deficiencies, which would likely have a negative impact on the market value of our common stock.

Furthermore, Section 404 of the Sarbanes-Oxley Act currently requires us to evaluate the effectiveness of our internal control over financial reporting at the end of each fiscal year and to include a management report assessing the effectiveness of our internal control over financial reporting in our Annual Report. We are also subject to the auditor attestation requirement under Section 404(b) of the Sarbanes-Oxley Act. We may not be able to complete the work required for such attestations on a timely basis and, even if we timely complete such requirements, we cannot assure you that our independent registered public accounting firm will conclude that our internal control over financial reporting is effective. The inability to obtain such attestation could lead to the loss of investor confidence in the reliability of our financial statements, which could negatively impact the price of our common stock and may impair our ability to raise capital under our shelf registration statement.

We may not obtain the expected benefits of the reincorporation from a Nevada corporation to a Delaware corporation.

We completed a holding company reincorporation to take advantage of the benefits of Delaware law and provide us with additional flexibility as we pursue our goal of growth through acquisitions. These expected benefits may not be obtained if we fail to complete acquisitions or if market conditions or other circumstances prevent us from taking advantage of the strategic, business and financing flexibility that it affords us. In addition, our holding company structure may not keep the assets and liabilities of the Company and any new businesses we acquire legally separate. As a result, we may have incurred the costs of implementing the reincorporation without realizing the possible benefits. These costs include the increased administrative costs and expenses associated with keeping separate records, and in some cases making separate regulatory filings for the Company and SGGH, LLC.

As a holding company, Signature will depend in large part on funding from its operating subsidiaries.

Signature is a holding company with no current business operations of its own. Until it has either formed or acquired other companies, its most significant assets are cash and its 100% interest in SGGH, LLC. As a result, it relies on funding from SGGH, LLC to meet its obligations. If SGGH, LLC needs to retain its funds to meet its financial obligations or experiences other restrictions on its ability to fund Signature, that may limit Signature s access to funds and ability to pursue its acquisition strategy or other strategic objectives.

Our data and information systems and network infrastructure may be subject to hacking or other cyber-security threats, giving unauthorized persons access to, and the ability to misappropriate, our customer data and proprietary business information.

From time to time in our operations, we may store and transmit our proprietary information and that of our customers. Despite our security measures, our information systems and network infrastructure may be vulnerable to cyber-attacks or could be breached due to an employee error or other disruption that could result in unauthorized disclosure of sensitive information that has the potential to significantly interfere with our business operations. Breaches of our security measures could expose us to a risk of loss or misuse of this information, litigation and potential liability. Since techniques used to obtain unauthorized access or to sabotage information systems change frequently and generally are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventive measures in advance of such an attack on our systems. In addition, if we select a vendor that uses cyber or cloud storage of information as part of their service or product offerings, despite our attempts to validate the security of such services, our proprietary information may be misappropriated by third parties. In the event of an actual or perceived breach of our security, or the security of one of our vendors, the market perception of the effectiveness of our security measures and our attractiveness as a business partner could be harmed and we could suffer damage to our reputation or our business, or lose existing customers and lose our ability to obtain new customers. Additionally, misappropriation of our proprietary business information could prove competitively harmful to our business.

Changes in, and compliance with, laws or regulations governing our operations may adversely affect our business or cause us to alter our business strategy.

We are subject to regulation at the federal, state and local level, as may be any entity we acquire. Further, new legislation may be enacted or new interpretations, rulings or regulations could be adopted, potentially with retroactive effect, any of which could harm us, our operations, our plans and our stockholders. Changes to laws and regulations may cause us to alter our business strategy in order to avail ourselves of new or different opportunities. Such changes could result in material differences in the strategies and plans set forth in our Annual Report. Thus, any such changes, if they occur, could have a material adverse effect on our financial condition and results of operations. In addition, our inability to comply with the federal, state and local statutes and regulations in the business segments, geographic regions and jurisdictions in which we operate could have a material adverse impact on our financial condition, results of operations and our stock price.

Risks Related to GRSA

If we consummate the GRSA Acquisition, GRSA will be integrated into the Company. As a result we will be subject to the following additional risks and uncertainties relating to GRSA. Any risk or uncertainty that could have a negative impact on GRSA, operations and financial condition could also have a negative impact on the Company s business, operations and financial condition.

The cyclical nature of the metals industry, GRSA s end-use segments and the industries of GRSA s customers could limit the operating flexibility of GRSA and could negatively affect its financial condition and results of operations.

The metals industry in general is cyclical in nature. It tends to reflect and be amplified by changes in general macro and local economic conditions. These conditions include, but are not limited to, the level of economic growth, financing availability, the availability of affordable energy sources, employment levels, interest rates, consumer confidence, demand for automobiles and housing demand. Historically, in periods of recession or periods of minimal economic growth, metals companies have often tended to underperform other sectors. GRSA is particularly sensitive to trends in the transportation industry, which is seasonal, highly cyclical and dependent upon general economic conditions. For example, during recessions or periods of low growth, the transportation industry typically experiences major cutbacks in production, resulting in decreased demand for inputs such as aluminum. This may lead to significant fluctuations in demand and pricing for GRSA s products and services. Because GRSA generally has some fixed costs, its near-term profitability can be significantly affected by decreased processing volume. Accordingly, reduced demand and pricing pressures may significantly reduce its profitability and adversely affect its financial condition. Economic downturns in regional and global economies or a prolonged recession in its principal industry segments have had a negative impact on the operations of GRSA in the past and could have a negative impact on its future financial condition or results of operations. In addition, in recent years global economic and commodity trends have been increasingly correlated. Although GRSA will continue to seek to diversify its business on a geographic and industry end-use basis, there can be no assurance that diversification will significantly mitigate the effect of cyclical downturns.

Changes in the market price of aluminum scrap impact the selling prices of GRSA s products and the margins it makes from selling its products and services. Market prices are dependent upon supply and demand and a variety of factors over which GRSA has minimal or no control, including:

- regional and global economic conditions;
- availability and relative pricing of metal substitutes;
- labor costs;
- energy prices;
- environmental and conservation regulations;
- seasonal factors and weather; and
- import and export levels and/or restrictions.

GRSA requires substantial amounts of capital to operate; failure to maintain sufficient liquidity will have a material adverse effect on its financial condition and results of operations.

GRSA requires substantial amounts of cash to operate and its liquidity can be adversely affected by a number of factors outside its control. Fluctuations in aluminum prices may result in increased cash costs for metal scrap and increase our working capital needs. In addition, if aluminum price movements result in a negative valuation of its current financial derivative positions, our counterparties may require posting of cash collateral. Furthermore, in an environment of falling aluminum prices, the borrowing base and availability under GRSA s then-current borrowing facilities may shrink and constrain GRSA s liquidity.

GRSA requires substantial capital investments that it may be unable to fulfill.

The operations of GRSA are capital intensive. Its total capital expenditures were $50 million, $56 million, $37 million, $19 million and $23 million for the years ended December 31, 2011, 2012, 2013 and the nine months ended September 30, 2014 and 2013, respectively. GRSA may not generate sufficient operating cash flows and its external financing sources may not be available in an amount sufficient to enable it to make anticipated capital expenditures, service or refinance indebtedness or fund other liquidity needs. If GRSA is unable to make upgrades or purchase new equipment, its financial condition and results of operations could be affected by higher maintenance costs, lower sales volumes due to the impact of reduced product quality, and other competitive influences.

The loss of certain members of the management team of GRSA may have an adverse effect on its operating results.

The success of GRSA will depend, in part, on the efforts of senior management and other key employees. These individuals possess sales, marketing, engineering, manufacturing, financial and administrative skills that are critical to the operation of its business. If GRSA loses or suffers an extended interruption in the services of one or more of its senior officers, its financial condition and results of operations may be negatively affected. Moreover, the pool of qualified individuals may be highly competitive and GRSA may not be able to attract and retain qualified personnel to replace or succeed members of senior management or other key employees, should the need arise.

GRSA may be unable to manage effectively its exposure to commodity price fluctuations, and its hedging activities may affect profitability in a changing metals price environment and subject its earnings to greater volatility from period-to-period.

Significant increases in the price of primary aluminum, aluminum scrap, alloys, hardeners, commodity inputs, or energy would cause the cost of sales for GRSA to increase significantly and, if not offset by product price increases, would negatively affect its financial condition and results of operations. GRSA is a substantial consumer of raw materials, and by far the largest input cost in producing its goods is the cost of aluminum and aluminum scrap. The cost of energy used, however, is also substantial. In the case of buy / sell arrangements, customers pay for the products of GRSA based on the indexed prices or based on a fixed price. For tolling services customers pay GRSA a processing fee. In general, GRSA uses these pricing mechanisms to pass changes in the price of aluminum and scrap, and, sometimes, commodities, through to its customers. Buy / sell arrangements may require GRSA to purchase raw materials in the future, exposing it to the risk that increased aluminum or energy prices will increase the cost of its products, thereby reducing or eliminating the margin GRSA receives when it delivers the product. These risks may be exacerbated by the failure of customers to pay for products on a timely basis, or at all.

Similarly, as GRSA maintains substantial quantities of raw material and finished goods inventories, significant decreases in the price of aluminum and scrap would reduce the realizable value of its inventory, negatively affecting its financial condition and results of operations. In addition, a drop in aluminum prices between the date of purchase and the final settlement date on derivative contracts used to mitigate the risk of price fluctuations may require it to post additional margin, which, in turn, can be a significant demand on liquidity.

In Europe, GRSA purchases and sells LME forwards, futures and options contracts to seek to reduce its exposure to changes in aluminum prices. The ability to realize the benefit of this hedging program is dependent upon factors beyond its control such as counterparty risk as well as its customers making timely payment for product. In addition, at certain times, hedging options may be unavailable or not available on terms acceptable to GRSA. In certain scenarios when market price movements result in a decline in value of its current derivatives position, its mark-to-market expense may exceed its credit line and counterparties may request the posting of cash collateral. Despite the use of LME forwards, futures and options contracts, GRSA remains exposed to the variability in prices of aluminum scrap. While aluminum scrap is typically priced in relation to prevailing aluminum index prices (LME, Platts 380, Metal Bulletin 226, etc), certain scrap types used in the GRSA operations are not highly correlated to an underlying LME price and, therefore, are not hedged. Scrap is also priced at a discount to selling prices. This discount is referred to in the industry as the scrap spread and fluctuates depending upon industry conditions. In addition, GRSA purchases forwards, futures or options contracts to reduce exposure to changes in natural gas prices. It does not account for forwards, futures, or options contracts as hedges of the underlying risks. As a result, unrealized gains and losses on these derivative financial instruments must be reported in the consolidated results of operations. The inclusion of such unrealized gains and losses in earnings may produce significant period to period earnings volatility that is not necessarily reflective of underlying operating performance.

GRSA may encounter increases in the cost, or limited availability, of raw materials and energy, which could cause the cost of goods sold to increase thereby reducing operating results and limiting operating flexibility.

GRSA requires substantial amounts of raw materials and energy in its business, consisting principally of aluminum scrap, primary-based aluminum, alloys and other materials, and natural gas. Any substantial increases in the cost of raw materials or energy could cause operating costs to increase and negatively affect GRSA s financial condition and results of operations.

Aluminum scrap, primary aluminum, and hardener prices are subject to significant cyclical price fluctuations. Metallics (primary aluminum metal, aluminum scrap and aluminum dross) represent the largest component of the costs of sales. GRSA purchases aluminum primarily from aluminum scrap dealers, primary aluminum producers and other intermediaries. GRSA has limited control over the price or availability of these supplies in the future.

The availability and price of aluminum scrap depends on a number of factors outside of the control of GRSA, including general economic conditions, international demand for metallics and internal recycling activities by primary aluminum producers and other consumers of aluminum. Increased regional and global demand for aluminum scrap can have the effect of increasing the prices that GRSA pays for these raw materials thereby increasing the cost of sales. GRSA may not be able to adjust the selling prices for its products to recover the increases in scrap prices. If scrap and dross prices were to increase significantly without a commensurate increase in the traded value of the primary metals or of the indices on which sales are made, the future financial condition and results of operations of GRSA could be affected by higher costs and lower profitability. In addition, a significant decrease in the pricing spread between aluminum scrap and primary aluminum could make recycling less attractive compared to primary production, and thereby reduce customer demand for the GRSA s recycling services.

After raw material and labor costs, utilities represent the third largest component of the cost of sales. The price of natural gas, and therefore the costs, can be particularly volatile. Price, and volatility, can differ by global region based on supply and demand, political issues and government regulation, among other things. As a result, GRSA s natural gas costs may fluctuate dramatically, and it may not be able to reduce the effect of higher natural gas costs on its cost of sales. If natural gas costs increase, its financial condition and results of operations may be adversely affected. Although GRSA attempts to mitigate volatility in natural gas costs through the use of hedging and the inclusion of price escalators and pass through mechanisms in certain of its long-term sales contracts, it may not be able to eliminate the effects of such cost volatility. Furthermore, in an effort to offset the effect of increasing costs, it may have also limited its potential benefit from declining costs.

If GRSA were to lose order volumes from any of its largest customers, its sales volumes, revenues and cash flows could be reduced.

GRSA is exposed to risks related to customer concentration. Its ten largest customers were responsible for approximately 50% of its volume invoiced for the twelve months ended September 30, 2014. No one customer accounted for more than 15% of those volumes. A loss of order volumes from, or a loss of industry share by, any major customer could negatively affect the financial condition and results of operations of GRSA by lowering sales volumes and lowering profitability. In addition, GRSA s strategy of having dedicated facilities and arrangements with customers subject it to the inherent risk of increased dependence on a single or a few customers with respect to these facilities. In such cases, the loss of such a customer, or the reduction of that customer s business at one or more of its facilities, could negatively affect its financial condition and results of operations, and GRSA may be unable to timely replace, or replace at all, lost order volumes. In addition, several of GRSA s customers have become involved in bankruptcy or insolvency proceedings and have defaulted on their obligations to GRSA in recent years. Similar incidents in the future would adversely impact the financial conditions and results of operations of GRSA.

GRSA does not have long-term contractual arrangements with a substantial number of its customers, and sales volumes and revenues could be reduced if those customers switch their suppliers.

A substantial amount of GRSA s volumes is sold to customers under contractual arrangements of one year or less or on a purchase order basis. Customers may choose not to continue to purchase products and services from GRSA. Any significant loss of these customers or a significant reduction in their purchase orders could have a material negative impact on the sales volume and business of GRSA.

GRSA may not be able to compete successfully in the industry segments it serves and aluminum may become less competitive with alternative materials, which could reduce GRSA s share of industry sales, sales volumes and selling prices.

Aluminum competes with other materials such as steel, plastic, composite materials and glass for various applications. Higher aluminum prices tend to make aluminum products less competitive with these alternative materials.

GRSA competes with other aluminum recyclers in segments that are highly fragmented and characterized by smaller, regional operators. The principal factors of competition in the aluminum recycling business include price, metal recovery rates, proximity to customers, customer service, molten metal delivery capability, environmental and safety regulatory compliance and types of services offered. Many of the customers of GRSA also have the capability to recycle scrap and may choose to bring more of their volumes within their own operations.

With its international business, GRSA encounters the risk that non-U.S. governments could take actions to enhance local production or local ownership at its expense.

Additional competition could result in a reduced share of industry sales or reduced prices for the products and services of GRSA, which could decrease revenues or reduce volumes, either of which could have a negative effect on financial condition and results of operations.

GRSA has been shaped by acquisition and divestiture, and it will continue to evaluate future acquisitions and divestitures. Past and future acquisitions or divestitures may not be successful, which could adversely affect GRSA s financial condition.

The future financial performance and success of GRSA will depend in part on its ability to successfully implement its business strategy on a stand-alone basis. Part of the business strategy for GRSA has been, and will continue to be, the opportunistic pursuit of strategic acquisitions and dispositions. However, there can be no assurance that any such growth efforts will be successful, or that if successful, GRSA will be able to effectively manage expanded or acquired operations. The ability of GRSA to achieve its expansion and acquisition needs and objectives and to effectively manage its growth depends on numerous risks commonly encountered in business combinations, including the following:

- its ability to identify appropriate acquisition targets and to negotiate acceptable terms for their acquisition;
- the ability to integrate new business into GRSA s operations;
- the availability of capital on acceptable terms to finance acquisitions (including in light of the terms of the indebtedness under the Financings);
- the ability to generate the cost savings or synergies anticipated;
- the inaccurate assessment of undisclosed liabilities;

- increasing demands on GRSA s operational systems; and

- the amortization of acquired intangible assets.

In addition, the process of integrating new businesses could cause the interruption of, or loss of momentum in, the activities of the existing GRSA business and the diversion of management s attention. Any delays or difficulties encountered in connection with the integration of new businesses or divestiture of existing businesses could negatively impact GRSA and results of operations. Furthermore, any acquisition could result in significant increases in outstanding indebtedness and debt service requirements. The terms of this indebtedness may further limit the acquisitions that GRSA can pursue.

Further aluminum industry consolidation could impact GRSA.

The aluminum industry has experienced consolidation over the past several years, and there may be further industry consolidation in the future. Although current industry consolidation has not negatively impacted GRSA, further consolidation in the aluminum industry could possibly have negative impacts that it cannot reliably predict.

A portion of the sales of GRSA is derived from its international operations, which exposes GRSA to certain risks inherent in doing business abroad and the taxes on the profits from which are generally not able to be offset by Signature s NOLs.

GRSA has aluminum recycling operations in Germany, the United Kingdom, Mexico, Norway and Canada and magnesium recycling operations in Germany. GRSA continues to explore opportunities to expand its international operations. GRSA s international operations generally are subject to risks, including:

- changes in U.S. and international governmental regulations, trade restrictions and laws, including tax laws and regulations;

- compliance with U.S. and foreign anti-corruption and trade control laws, such as the Foreign Corrupt Practices Act and U.K. Anti-Bribery Act, export controls and economic sanction programs, including those administered by the U.S. Treasury Department s Office of Foreign Assets Control;

- currency exchange rate fluctuations;

- tariffs and other trade barriers;

- the potential for nationalization of enterprises or government policies favoring local production;

- interest rate fluctuations;

- high rates of inflation;

- currency restrictions and limitations on repatriation of profits;

- differing protections for intellectual property and enforcement thereof;

- divergent environmental laws and regulations; and

- political, economic and social instability.

The occurrence of any of these events could cause costs to rise, limit growth opportunities or have a negative effect on GRSA s operations and ability to plan for future periods, and subject it to risks not generally prevalent in the United States.

The financial condition and results of operations of some of the operating entities of GRSA are reported in various currencies and then translated into U.S. dollars at the applicable exchange rate for inclusion in its audited and unaudited consolidated financial statements. As a result, appreciation of the U.S. dollar against these currencies may have a negative impact on reported revenues and operating profit, and the resulting accounts receivable, while depreciation of the U.S. dollar against these currencies may generally have a positive effect on reported revenues and operating profit. In addition, a portion of the revenues generated by its international operations are denominated in U.S. dollars, while the majority of costs incurred are denominated in local currencies. As a result, appreciation in the U.S. dollar may have a positive impact on earnings while depreciation of the U.S. dollar may have a negative impact on earnings. Further, Signature s NOLs are not generally available to reduce the amount of non-U.S. tax applicable to GRSA s operations.

Current environmental liabilities as well as the cost of compliance with, and liabilities under, health and safety laws could increase the operating costs of GRSA and negatively affect its financial condition and results of operations.

GRSA s operations are subject to federal, state, local and foreign environmental laws and regulations, which govern, among other things, air emissions, wastewater discharges, the handling, storage and disposal of hazardous substances and wastes, the remediation of contaminated sites and employee health and safety. Future environmental regulations could impose stricter compliance requirements on the industries in which it operates. Additional pollution control equipment, process changes, or other environmental control measures may be needed at some of its facilities to meet future requirements.

Financial responsibility for contaminated property can be imposed on GRSA where current operations have had an environmental impact. Such liability can include the cost of investigating and remediating contaminated soil or ground water, fines and penalties sought by environmental authorities, and damages arising out of personal injury, contaminated property and other toxic tort claims, as well as lost or impaired natural resources. Certain environmental laws impose strict, and in certain circumstances joint and several, liability for certain kinds of matters, such that a person can be held liable without regard to fault for all of the costs of a matter even though others were also involved or responsible. Future remedial requirements at currently owned or operated properties or adjacent areas could result in significant liabilities.

Changes in environmental requirements or changes in their enforcement could materially increase costs. For example, if salt cake, a by-product from some of its recycling operations, were to become classified as a hazardous waste in the United States, the costs to manage and dispose of it would increase and could result in significant increased expenditures.

GRSA could experience labor disputes that could disrupt its business.

Approximately 25% of the employees in North America and substantially all of the employees located in Europe where union membership is common, of GRSA are represented by unions or equivalent bodies and are covered by collective bargaining or similar agreements which are subject to periodic renegotiation. Although GRSA believes that they will successfully negotiate new collective bargaining agreements when the current agreements expire, these negotiations may not prove successful, may result in a significant increase in the cost of labor, or may break down and result in the disruption or cessation of its operations.

Labor negotiations may not conclude successfully, and, in that case, work stoppages or labor disturbances may occur. Any such stoppages or disturbances may have a negative impact on its financial condition and results of operations by limiting plant production, sales volumes and profitability.

New government regulation of greenhouse gas emissions may subject the GRSA Business to significant new costs and restrictions on its operations.

Climate change is receiving increasing attention worldwide, including recently-announced, long-term greenhouse gas emission reduction commitments by the U.S. and China. Many scientists, legislators and others attribute climate change to increased levels of greenhouse gases, including carbon dioxide, which has led to significant legislative and regulatory efforts to limit greenhouse gas emissions. There are legislative and regulatory initiatives in various jurisdictions that would institute a cap-and-trade system, covering various sectors of the economy, under which emitters would be required to buy allowances to offset emissions of greenhouse gas. In addition, several states, including states where GRSA has manufacturing plants, are considering greenhouse gas registration and reduction programs. Certain of these plants use significant amounts of energy, including electricity derived from various sources, and natural gas. Greenhouse gas regulation could increase the price of the electricity that GRSA purchases, increase the cost of its use of natural gas, restrict access to, or the use of, natural gas, require GRSA to purchase allowances to offset its emissions or result in an overall increase in its costs of raw materials. Any one of these developments could significantly increase GRSA s costs, reduce its competitiveness in a global economy or otherwise negatively affect its business, operations or financial results. While future emission regulation appears likely, it is too early to predict specifically how such regulation might affect GRSA s business, operations or financial results.

The profitability of GRSA depends, in part, on the availability of an adequate source of supplies.

GRSA depends on scrap for its operations and acquires its scrap inventory from numerous sources. These suppliers generally are not bound by long-term contracts and have no obligation to sell scrap metals to us. In periods of low industry prices, suppliers may elect to hold scrap waiting for higher prices. In addition, the slowdown in industrial production and consumer consumption in the U.S. and Europe during past economic crises may have reduced the supply of scrap metal available to GRSA. In addition, exports of scrap out of North America and Europe can negatively impact scrap availability and scrap spreads. If an adequate supply of scrap metal is not available, GRSA would be unable to recycle metals at desired volumes and its results of operations and financial condition would be materially and adversely affected.

The operations of GRSA present significant risk of injury or death. It may be subject to claims that are not covered by or exceed its insurance.

Because of the heavy industrial activities conducted at its facilities, there exists a risk of injury or death to employees or other visitors of GRSA, notwithstanding the safety precautions taken. These operations are subject to regulation by various federal, state and local agencies responsible for employee health and safety, including the Occupational Safety and Health Administration. While GRSA has in place policies to minimize such risks, it may nevertheless be unable to avoid material liabilities for any employee death or injury that may occur in the future. These types of incidents may not be covered by or may exceed its insurance coverage and may have a material adverse effect on its results of operations and financial condition.

Recent derivatives legislation could have an adverse impact on the ability to hedge risks associated with GRSA and on the cost of its hedging activities.

GRSA uses over-the-counter (OTC) derivatives products to hedge its medal commodity and natural gas risks and, historically, currency risks. Legislation in Europe and the U.S. has been adopted to increase the regulatory oversight of the OTC derivatives markets and impose restrictions on certain derivative transactions, which could affect the use of derivatives in hedging transactions. A significant number of the final rules and regulations pursuant to this legislation have not been adopted and not all compliance dates have been reached. If future rules and regulations subject GRSA to additional capital or margin requirements, reduce the number of eligible derivatives counterparties, or impose other restrictions on its trading and commodity positions, they could have an adverse effect on the ability to hedge risks associated with GRSA and on the costs of its hedging activities.

Certain German pension and benefit obligations of GRSA are currently underfunded.

The GRSA Entities may have to make significant cash payments to certain German pension plans, which would reduce the cash available for its business and have an adverse effect on its business financial condition, results of operations, prospects and ability to satisfy its obligations under its indebtedness.

Risks Related to Our Common Stock

The market price of our common stock may fluctuate significantly.

Since the predecessor entity of Signature Nevada emerged from Chapter 11 bankruptcy in June 2010, the market price and liquidity of the market for shares of our common stock has varied significantly, from a low sales price per share of $2.30 per share in the second quarter of 2012, to a high price per share of $14.20 in the third quarter of 2013. The market price of our common stock may be significantly affected by numerous factors, some of which are beyond our control and may not be directly related to our operating performance. These factors include, but are not limited to:

- changes or variations in earnings and/or operating results;
- our ability to complete acquisitions on a timely and cost-effective basis, and generate the expected benefits from such acquisitions;
- challenges to our NOLs or any inability to fully utilize our NOLs prior to their expiration including to the extent GRSA realizes a taxable profit outside of the U.S.;
- shortfalls in operating revenues or net income or any increase in losses from levels expected by investors or securities analysts;
- changes in the value of our assets;
- changes in accounting principles or changes in interpretations of existing accounting principles, which could affect our financial results;
- changes in legislation or regulatory policies, practices, or actions;
- the commencement or outcome of material litigation involving the Company, our subsidiaries, or the industries in which we have exposure, or both;
- changes in our capital structure, such as future issuances of securities or the incurrence of additional debt;
- actual or expected sales of our common stock by our stockholders;

departure of key personnel; and

general market volatility, economic trends and other external factors.

We and our predecessors have not paid cash dividends since 2006 and do not intend to pay cash dividends on our common stock in the foreseeable future.

We are a holding company that does not operate any business that is separate from those of SGGH, LLC and the subsidiaries of SGGH, LLC. We are therefore dependent on SGGH, LLC for any funds from which to pay dividends. We and our predecessors have not paid a dividend since the fourth quarter of 2006, and we do not expect to pay any cash dividends on our common stock in the foreseeable future, but rather expect to retain earnings to finance the growth of our business.

In addition, our future cash dividends would be limited by the terms of certain of the Financings and the proposed Series B Preferred Stock, in each case, if issued. Because we do not anticipate paying cash dividends for the foreseeable future, holders of our common stock will not realize a return on their investment unless the trading price of our common stock appreciates, which we cannot assure.

Certain provisions of our Amended and Restated Bylaws could deter takeover attempts and have an adverse impact on the price of our common stock.

Our amended and restated bylaws (the Amended and Restated Bylaws) contain provisions to protect the value of our NOLs. Such provisions may have the effect of discouraging a third party from making an acquisition proposal for us, which may inhibit a change in control in circumstances that could give the holders of our common stock the opportunity to realize a premium over the market price for our common stock. See The Offering Tax Benefit Preservation Provision and Risk Factors Risks Related to Our Business Our ability to use our NOLs to offset future taxable income may be limited as a result of past events, the Equity Offering, this Rights Offering, the GRSA Acquisition or the other Financings, or as a result of future acquisition or other issuances or transfers of our common stock.

Our Rights Agreement could discourage, delay or prevent takeover attempts.

Attempts to acquire control of the Company may be discouraged, delayed or prevented by our Rights Agreement which was adopted to protect the value of our NOLs and continues to remain in effect. The Rights Agreement provides for a dividend distribution of ten rights for each outstanding share of our common stock. The Rights Agreement also provides that, in the event that (i) we engage in a merger or other business combination transaction in which we are not the surviving corporation; (ii) we engage in a merger or other business combination transaction in which we are the surviving corporation and our common stock is changed or exchanged; or (iii) 50% or more of our assets, cash flow or earning power is sold or transferred, each holder of a Right (except Rights that have previously been voided because they were held by the acquiring person or entity) shall thereafter have the right to receive, upon exercise, common stock of the acquiring company as set forth in the Rights Agreement. The existence of the Rights Agreement may discourage, delay or prevent a third party from effecting a change of control or takeover of the Company in circumstances that could give the holders of our common stock the opportunity to realize a premium over the market price of our common stock.

Our common stock is quoted on the OTCQX Marketplace, which may not provide investors with a meaningful degree of liquidity.

Bid quotations for our common stock are available on the OTCQX Marketplace (the OTCQX), an electronic quotation service for securities traded over-the-counter. Bid quotations can be sporadic and may not provide any meaningful liquidity to investors. There can be no assurance that an active market will develop for our common stock or that a stockholder will ever be able to liquidate its shares of common stock without considerable delay, if at all. Many brokerage firms may not be willing to effect transactions in our securities. Even if a purchaser finds a broker willing to effect a transaction in these securities, the combination of brokerage commissions, state transfer taxes, if any, and any other selling costs may exceed the selling price.

THE GRSA ACQUISITION AND FINANCINGS

The Purchase Agreement

On October 17, 2014, we, Real Alloy (as buyer), and certain of our other subsidiaries, entered into the Purchase Agreement to acquire certain of Aleris s subsidiaries (the GRSA Entities) comprising Aleris s global recycling and specification alloys business for $525 million. The purchase price consists of $495 million in cash and $30 million in a new series of our non-participating Series B Preferred Stock that we will issue to Aleris upon consummation of the GRSA Acquisition. The amount of the purchase price is subject to certain post-closing adjustments, including that GRSA will have net working capital at closing of approximately $139 million and adjustments based on GRSA s closing date cash and indebtedness. The GRSA Acquisition is not contingent upon our obtaining any financing. The Series B Preferred Stock is described below under the heading Description of Capital Stock Series B Preferred Stock.

The Purchase Agreement contains customary representations, warranties and covenants made by Signature, Real Alloy, Aleris and certain of its subsidiaries (such subsidiaries collectively with Aleris, the Sellers). Among other covenants, the Sellers have agreed to operate the GRSA business in the ordinary course of business until the closing of the transactions under the Purchase Agreement, to not solicit proposals or enter into discussions concerning any proposals for alternative business combination transactions relating to GRSA, and to not engage in activities competitive with GRSA and its business for the five years following the closing of the GRSA Acquisition. In addition, the Sellers, on one hand, and Real Alloy, on the other hand, have agreed not to solicit each other s employees for a two-year period following the closing of the GRSA Acquisition.

Under the Purchase Agreement, we agreed to commence equity Offerings and to launch this Rights Offering that, if successfully consummated, would generate net proceeds to the Company of not less than $125 million. Real Alloy agreed to use its reasonable best efforts to consummate the offering of the Senior Secured Notes and the transactions contemplated by the Backstop Commitment Letter, and Aleris and the Sellers agreed to cooperate with Real Alloy and us in connection with the Financings.

The closing of the GRSA Acquisition is subject to certain customary closing conditions, including: (i) the expiration or termination of the applicable waiting periods under the HSR Act and certain Mexican competition laws, (ii) the transfer of certain discontinued real property locations to a non-GRSA subsidiary of Aleris, (iii) the absence of certain legal impediments to the closing, (iv) the absence of a material adverse effect on GRSA s business, (v) the performance of each party s respective obligations under the Purchase Agreement in all material respects, (vi) the accuracy of each party s respective representations and warranties, and (vii) the release of certain liens, guarantees and liabilities related to certain Aleris debt. Necessary conditions associated with the expiration or termination of the applicable waiting period under the HSR Act and certain Mexican competition laws have been obtained.

The Purchase Agreement may be terminated at any time prior to closing of the transactions contemplated by the Purchase Agreement: (i) by mutual written agreement of Aleris and Real Alloy, (ii) by Aleris or Real Alloy if closing is prohibited by a governmental authority, (iii) by Aleris or Real Alloy if the closing conditions have not been satisfied or waived by April 30, 2015 (or extended to May 31, 2015, at the option of Aleris or Real Alloy if the only remaining closing condition relates to satisfaction of competition law requirements), (iv) by Real Alloy, in the event of certain material incurable breaches of representations, warranties or covenants by Aleris, (v) by Aleris, in the event of certain material incurable breaches of representations, warranties or covenants by Real Alloy, or (vi) if Real Alloy fails to consummate the closing within five business days after all conditions have been satisfied or waived (other than conditions that have not been satisfied as a result of Real Alloy s breach of the Purchase Agreement or the Backstop Commitment Letter). Under the Purchase Agreement, the purchase price to be paid at closing for the GRSA Acquisition is calculated as follows: $495 million, *plus* the cash and *minus* the indebtedness (each as defined in the Purchase Agreement) of the GRSA Entities as of 11:59 p.m. immediately preceding the closing, *minus* the costs and expenses of the GRSA Entities associated with the transactions under the Purchase Agreement, including the payment of any retention or stay bonuses or severance arrangements (whether before or after closing), *plus* or *minus*, as applicable, the amount by which the net working capital (as defined in the Purchase Agreement) as of 11:59 p.m. immediately preceding the closing exceeds or is less than $139.2 million. In addition, we will issue 30,000 shares of our Series B Preferred Stock at $1,000 per share for a total issuance price of $30 million to Aleris, which shares of Series B Preferred Stock will be placed into an escrow account to satisfy the indemnification obligations of Aleris under the Purchase Agreement. In the event that the net proceeds of this Rights Offering equal or exceed $45 million, we will instead issue 25,000 shares of our Series B Preferred Stock for a total issuance price of $25 million to Aleris, and place such shares and $5 million in cash into the escrow account.

Real Alloy is required to pay Aleris a $26.25 million termination fee if Aleris terminates the Purchase Agreement: (i) due to Real Alloy s incurable breach or a failure to perform any representation, warranty, covenant or agreement contained in the Purchase Agreement; (ii) due to Real Alloy failing to consummate the transaction within five business days after all conditions have been satisfied or waived (other than conditions that have not been satisfied as a result of Real Alloy s breach of the Purchase Agreement or the Backstop Commitment Letter); or (iii) because the transaction has not closed by April 30, 2015, and, in the case of the circumstances described in this clause (iii), the Purchase Agreement is also terminable by Aleris due to Real Alloy s incurable breach or a failure to perform any representation, warranty, covenant or agreement contained in the Purchase Agreement.

We have guaranteed all of Real Alloy s obligations under the Purchase Agreement, including payment of the termination fee.

At closing, we will deposit shares of Series B Preferred Stock with a liquidation value of $30 million into an indemnity escrow account in favor of Aleris in order to secure certain of Aleris s indemnification obligations. As provided in an amendment to the Purchase Agreement, dated January 26, 2015, in the event that this Rights Offering raises at least an aggregate $45 million of net proceeds, we will instead deposit $5 million in cash and shares of Series B Preferred Stock with a liquidation value of $25 million into an indemnity escrow account in favor of Aleris.

Aleris has agreed to indemnify Real Alloy and its affiliates for claims and losses arising out of or related to, among others: (i) breaches of representations, warranties and covenants of Aleris and the Sellers, (ii) liability arising from business retained by Aleris or the discontinued real property locations, (iii) certain litigation matters, (iv) certain transaction expenses and (v) certain costs related to the closure or operation of the GRSA facility in Goodyear, Arizona. Real Alloy has agreed to indemnify the Sellers and their affiliates for claims and losses arising out of or related to breaches of representations, warranties and covenants of Real Alloy in the Purchase Agreement and liability arising in connection to the operation of GRSA following the closing.

Aleris s aggregate indemnity obligations related to breaches of representations, warranties and covenants are generally capped at $67 million, except for certain fundamental representations, and representations related to taxes and Title IV of ERISA, which are subject to a cap equal to the purchase price. In general, Aleris will not be required to pay any amounts in respect of its indemnification obligations until the aggregate amount of all losses exceeds a deductible of $3 million, in which case Aleris will be required to indemnify only for such losses in excess of such deductible. The deductible will not apply to losses to the extent such losses arise from or relate to certain fundamental representations, taxes and Title IV of ERISA. In addition, certain scheduled environmental matters are subject to a deductible of approximately $23.9 million.

At the closing of the GRSA Acquisition, Real Alloy will enter into a customary transition services agreement with Aleris, under which Aleris will provide certain post-closing transition services to Real Alloy. Transition services are expected to include: information technology services, treasury services (including accounts payable, cash management and payroll), credit/collection services, environmental services and human resource services. We currently expect Aleris to provide these services for between six and 24 months following closing of the GRSA Acquisition.

The foregoing description of the Purchase Agreement and the agreement amending it do not purport to be complete and are qualified by reference in their entirety to the full text of the Purchase Agreement and the amendment, copies of which we filed with the SEC on October 21, 2014 as Exhibit 2.1, and on January 27, 2015 as Exhibit 2.1 to our Current Reports on Form 8-K, respectively.

The Backstop Agreement

Simultaneously with entering into the Purchase Agreement, on October 17, 2014, we entered into a Backstop Agreement with Aleris, whereby Aleris agreed to purchase additional shares of our Series B Preferred Stock having a liquidation value of up to $30 million in the event that the equity offerings and this Rights Offering do not generate at least an aggregate of $125 million in net proceeds for us. On January 26, 2015, we amended this Backstop Agreement to provide that the proceeds of the NABCO Sale may also be utilized to reduce the proceeds required from the Rights Offering and the other equity offerings to $50 million. As amended, Aleris s commitment to purchase shares of Series B Preferred Stock under the Backstop Agreement will be reduced by 37.5% of every dollar raised in this Rights Offering (other than in connection with the Warrantholder exercises).

The closing of the transactions contemplated by the Backstop Agreement is subject to satisfaction or waiver of certain conditions, including, among others: (i) the consummation or conclusion of the Equity Offering and this Rights Offering, (ii) the consummation (which may occur concurrently) of the transactions contemplated by the Purchase Agreement, and (iii) the concurrent consummation of the transactions contemplated by the Backstop Commitment Letter. The Backstop Agreement may be terminated at any time prior to the consummation of the transactions contemplated by the Backstop Agreement (i) by mutual written consent of Aleris and Signature, (ii) by Aleris or Signature, if closing is prohibited by a governmental authority, or (iii) automatically, if the Purchase Agreement is terminated.

The holders of the shares of Series B Preferred Stock issued under the Backstop Agreement (the Backstop Preferred Stock) are entitled to appoint a nonvoting observer to our Board if we have not declared and paid dividends on the Backstop Preferred Stock paid for four consecutive quarters. The right to appoint a nonvoting observer ceases once dividends have been paid in full for at least one quarterly dividend period.

To the extent we are required to prepay any of the Backstop Notes from the proceeds of our future equity offerings, we are required to redeem a pro rata portion of the then outstanding shares of Backstop Preferred Stock equal to the liquidation preference of the Backstop Preferred Stock divided by the value of Backstop Notes and liquidation preference on the then outstanding Backstop Preferred Stock.

The foregoing description of the Backstop Agreement does not purport to be complete and is qualified by reference in its entirety to the full text of the form of the Backstop Agreement and the amendment thereto, copies of which we filed with the SEC on October 21, 2014 as Exhibit 10.1 and on January 27, 2015 as Exhibit 10.1, respectively to our Current Reports on Form 8-K.

The Financing Arrangements

As provided in the Purchase Agreement, the GRSA Acquisition is not contingent upon the consummation by Signature or Real Alloy of any financing arrangement. We currently intend to finance the $495 million cash portion of the purchase price, as well as the transaction costs incident to the GRSA Acquisition, using a combination of cash, equity and debt as follows: (i) $45 million of our cash, (ii) a portion of the net proceeds of the NABCO Sale, (iii) net proceeds from the $3 million October 2014 Private Placement, (iv) the net proceeds of the Equity Offering, (v) the net proceeds of this Rights Offering, (vi) the net proceeds of the Senior Secured Notes issued by SGH Escrow (to be merged with Real Alloy) and (vii) $73.5 million in opening draws on the combination of the Asset-Based Facility to be provided by GE Capital and the Factoring Facility to be provided by GE Germany (as defined below), respectively. In the event the net proceeds of this Rights Offering fails to equal or exceed $50 million, Aleris has agreed under the Backstop Agreement to purchase up to $30 million of our Series B Preferred Stock, and the Backstop Commitment Parties (as defined below) have agreed to supply up to an additional $20 million in financing, in the form of a two-year, secured bridge term loan which are subject to reduction depending upon the underfunded amount of this Rights Offering.

Senior Secured Notes Offering

On January 8, 2015, our indirect wholly owned subsidiary, SGH Escrow (which we intend to merge into Real Alloy) completed the offering of the Senior Secured Notes, subject to customary closing conditions. In this private offering, SGH Escrow issued 10% Senior Secured Notes due January 15, 2019 in an aggregate principal amount of $305.0 million at an issue price of 97.206% of the principal amount thereof, resulting in gross proceeds to SGH Escrow of approximately $296.5 million. The yield to SGH Escrow on the Senior Secured Notes was 10 7/8%. The Senior Secured Notes were offered and sold in a private placement to qualified institutional buyers pursuant to Rule 144A under the Securities Act and to persons outside of the United States pursuant to Regulation S under the Securities Act.

SGH Escrow deposited the gross proceeds of the offering of the Senior Secured Notes, together with additional amounts necessary to satisfy the special mandatory redemption price, as described below, into an escrow account. Upon the consummation of the GRSA Acquisition, the merger of SGH Escrow with Real Alloy, Real Alloy s assumption of SGH Escrow s obligations under the Senior Secured Notes, obtaining certain guarantees from Real Alloy s existing and future domestic subsidiaries and certain other conditions, including the closing of the Asset-Based Facility and the Factoring Facility and our contribution of equity to Real Alloy Intermediate Holding, LLC, the escrow proceeds will be released. The Senior Secured Notes are subject to a special mandatory redemption under certain circumstances, including if the Purchase Agreement is terminated or the GRSA Acquisition is not consummated by February 28, 2015, or May 5, 2015 if extended. The special mandatory redemption price is equal to 101% of the initial offering price of the Senior Secured Notes, plus accrued and unpaid interest from the date of the initial issuance of the notes up to, but not including, the special mandatory redemption date. SGH Escrow will also grant a first priority security interest in the escrow account for the benefit of the holders of the Notes.

From and after the GRSA Acquisition, the Senior Secured Notes will be Real Alloy s senior obligations and will rank equally in right of repayment with all of Real Alloy s existing and future senior debt and senior to its future subordinated debt. Following the GRSA Acquisition, the Senior Secured Notes will be guaranteed by Real Alloy s direct parent, Real Alloy Intermediate Holding, LLC, and by certain of its existing and future domestic subsidiaries. The Senior Secured Notes and related guarantees will be secured by first priority security interests in the fixed assets of Real Alloy and the guarantors of the Senior Secured Notes and second priority security interests in certain other collateral of Real Alloy and the guarantors.

Interest on the Senior Secured Notes will be paid semi-annually on January 15 and July 15 of each year, commencing with July 15, 2015. Real Alloy may redeem all or some of the Senior Secured Notes at any time after January 15, 2018 at a redemption price of 105% of their principal amount, and after July 15, 2018 at a redemption price of 100% of their principal amount, in each case plus any unpaid and accrued interest. At any time prior to January 15, 2018, Real Alloy may redeem all or some of the Senior Secured Notes at a redemption price of 100% of their principal amount, plus a make whole premium and accrued and unpaid interest. Using net proceeds of any qualified equity offering, Real Alloy may also redeem up to 35% of the aggregate principal amount of the Senior Secured Notes on or prior to January 15, 2018 at a redemption price of 110%.

In connection with the entry into the Purchase Agreement, we entered into a commitment letter (the Term Loan Commitment Letter), dated October 17, 2014, with Goldman Sachs Bank USA, Deutsche Bank Securities Inc. and Deutsche Bank AG Cayman Islands Branch that provided a commitment, subject to the satisfaction of standard conditions, to provide $300 million (less the gross proceeds from the sale of the Senior Secured Notes) of senior secured bridge loans (the Bridge Loans) to Real Alloy or another of our wholly-owned subsidiaries. With the issuance of the Senior Secured Notes, the Term Loan Commitment Letter for Bridge Loans was terminated.

The foregoing description of the Senior Secured Notes does not purport to be complete and is qualified by reference in its entirety to the full text of the related Indenture and Form of 10% Senior Secured Note due 2019, a copy of each of which we filed with the SEC on January 12, 2015 as Exhibit 4.1 and 4.2, respectively, to our Current Report on Form 8-K.

Backstop Commitment Letter

In connection with the entry into the Purchase Agreement, as part of the Financings, Signature entered into a commitment letter, dated October 17, 2014, as amended on January 7, 2015, with ZCOF and funds of another institutional investor (collectively the Backstop Commitment Parties), that provides a commitment (the Backstop Commitment Letter), subject to satisfaction of standard conditions, to purchase up to $50 million of senior notes issued by Signature (the Backstop Notes) and the purchase of up to $45 million of Signature s common stock (the Equity Backstop), representing a portion of the cash portion of the consideration paid under the Purchase Agreement. Each of the Backstop Commitment Parties committed to purchase 50% of each of the Backstop Notes and Equity Backstop. With the January 7, 2015 amendment to the Backstop Commitment Letter, and in light of the Financings and NABCO Sale completed to date, the Equity Backstop has been terminated, and the commitment for the Backstop Notes has been reduced to $20 million, subject to reduction as described below.

The Backstop Commitment Parties will provide the Backstop Notes only in the event that we are unable to raise net proceeds of $32 million from this Rights Offering. Net proceeds from this Rights Offering will be allocated 62.5% to reduce the amount of the Backstop Notes.

The Backstop Notes will be secured by a (i) first priority security interest in substantially all of the assets of Signature and any existing or newly created or acquired U.S. subsidiaries (other than any entity that is a borrower or guarantor under the Asset-Based Facility or the Senior Secured Notes) (ii) a pledge of the Company s equity interests in SGGH, LLC, (iii) a pledge of Real Alloy s stock (structurally subordinate to the security interests granted under the Senior Secured Notes and the Asset-Based Facility) and (iv) an interest reserve account established to pay interest on the Backstop Notes.

The obligation of the Backstop Commitment Parties to provide the Backstop Notes under the Backstop Commitment Letter is subject to a number of customary conditions, including, without limitation, execution and delivery by relevant parties of definitive documentation consistent with the Backstop Commitment Letter and the documentation standards specified therein. We owed and paid a 5% commitment fee to the Backstop Commitment Parties for each of the Equity Backstop and Backstop Notes at the time of the Backstop Commitment Letter, whether or not such Financings were utilized. We may also extend the commitment for the Backstop Notes, which expires on February 17, 2015, to March 1' 2015, provided that we provide advance notice and pay a $325,000 fee which is on top of the first extension fee paid of $325,000. Whether or not the Backstop Commitment Parties provide financing to us under the Backstop Notes, we must reimburse them for reasonable fees and expenses, including counsel, accounting and diligence expenses related to the transactions contemplated by the Backstop Commitment Letter.

The foregoing description of the Backstop Commitment Letter and the letter agreement amending it do not purport to be complete and are qualified by reference in their entirety to the full text of the Backstop Commitment Letter and the letter agreement, copies of which we filed with the SEC on October 21, 2014 as Exhibit 10.3 to our Current Report on Form 8-K and on January 12, 2015 as Exhibit 10.1 to our Current Report on Form 8-K, respectively.

Asset-Based Facility Commitment Letter

In connection with the entry into the Purchase Agreement, we entered into a commitment letter, dated October 17, 2014, as amended and restated on January 8, 2015, with General Electric Capital Corporation and GE Capital Markets, Inc., that provides a commitment (the Asset-Based Commitment Letter), subject to the satisfaction of standard conditions, for a $110 million senior secured revolving asset-based credit facility (the Asset-Based Facility). A portion of the proceeds of the Asset-Based Facility, together with a portion of the proceeds of the Factoring Facility, are to be used to fund the GRSA Acquisition. Additional proceeds of the Asset-Based Facility will be used to provide for working capital and general corporate purposes. GE Capital may syndicate the Asset-Based Facility to additional lenders. This commitment expires on February 28, 2015.

The Asset-Based Facility will be divided into two sub-facilities, a U.S. sub-facility, which will include a letter of credit sub-facility and an $11 million swing line sub-facility, and a Canadian sub-facility, which will include a letter-of-credit sub-facility. The two letter-of-credit sub-facilities will each be in an amount on which we will agree with GE Capital, provided that the two letter of credit sub-facilities cannot exceed $25 million. The Asset-Based Facility will be secured by a first priority lien on the following assets of the U.S. borrowers, the Canadian borrowers, their domestic and (to the extent no adverse tax impact would be incurred) foreign subsidiaries, and any holding companies: accounts receivable, inventory, instruments representing receivables, guarantees and other credit enhancements related to receivables, and bank accounts into which receivables are deposited (to the extent no adverse tax impact would be incurred), among other related assets. The Asset-Based Facility will also be secured by a second-priority lien on the assets that secure the Senior Secured Notes.

The obligation of GE Capital to provide the Asset-Based Facility under the Asset-Based Commitment Letter is subject to a number of customary conditions, including, without limitation, execution and delivery by the relevant parties of definitive documentation consistent with the Asset-Based Commitment Letter and the documentation standards specified therein. Whether or not the Asset-Based Facility closes, we must reimburse GE Capital its reasonable fees and expenses, including certain counsel and field examination expenses.

The foregoing description of the Asset-Based Commitment Letter does not purport to be complete and is qualified by reference in its entirety to the full text of the Amended and Restated Asset-Based Commitment Letter, a copy of which we filed with the SEC on January 12, 2015 as Exhibit 10.2 to our Current Report on Form 8-K.

Factoring Facility Commitment Letter

In connection with the entry into the Purchase Agreement, we entered into a commitment letter, dated October 17, 2014, as amended on January 21, 2015, with GE Capital Bank AG (GE Germany), that provides a commitment (the Factoring Commitment Letter), subject to satisfaction of standard conditions, for a nonrecourse factoring facility with a maximum financing amount of 50 million (the Factoring Facility). A portion of the proceeds of the Factoring Facility, together with a portion of the proceeds of the Asset-Based Facility, are to fund the GRSA Acquisition. Additional proceeds of the Factoring Facility will be used to provide for working capital and general corporate purposes.

The Factoring Facility provides for purchases of eligible receivables from Aleris Recycling (German Works) GmbH. The purchase of receivables will be subject to certain limitations and eligibility requirements to be determined in the reasonable discretion of GE Germany based on the relevant account debtor creditworthiness and reliability.

The obligation of GE Germany to provide the Factoring Facility is subject to certain conditions, including without limitation execution and delivery by the relevant parties of definitive documentation consistent with the Factoring Commitment Letter and the documentation standards specified therein. Whether or not the Factoring Facility closes or any funding occurs thereunder, we or Aleris Recycling (German Works) GmbH must reimburse GE Germany its reasonable fees and expenses, including counsel expenses, up to 80,000.

The foregoing description of the Factoring Commitment Letter does not purport to be complete and is qualified by reference in its entirety to the full text of the Factoring Commitment Letter and amendment, copies of which we filed with the SEC on October 21, 2014 as Exhibit 10.6 to our amendment to our Current Report on Form 8-K and on January 21, 2015 as Exhibit 10.1 to our Current Report on Form 8-K.

We urge you to read the full text of the Purchase Agreement, as well as the Backstop Agreement, the Indenture, the form of 10% Senior Secured Note, the Backstop Commitment Letter, the Asset-Based Facility Commitment Letter and the Factoring Facility Commitment Letter (collectively, the Financing Agreements) because they are the legal documents that govern the GRSA Acquisition and the proposed Financing for such transaction. The representations, warranties and covenants of the Company contained in the Purchase

Agreement and the Backstop Agreement have been made solely for the benefit of Aleris and the Sellers. In addition, such representations, warranties and covenants (i) have been made only for purposes of the Purchase Agreement and the Backstop Agreement, (ii) have been qualified by confidential disclosures made to Aleris and the Sellers in the disclosure schedules delivered in connection with the Purchase Agreement, (iii) in some instances are subject to materiality qualifications contained in the Purchase Agreement, which may differ from what may be viewed as material by investors, (iv) were made only as of the date of the Purchase Agreement or Backstop Agreement or such other date as is specified in the Purchase Agreement or Backstop Agreement, and (v) have been included in the Purchase Agreement and Backstop Agreement for the purpose of allocating risk between the contracting parties rather than establishing matters as fact. The Purchase Agreement and Backstop Agreement were filed only to provide investors with information regarding the terms of the Purchase Agreement and Backstop Agreement, and not to provide investors with any other factual information regarding us, Real Alloy, GRSA or their respective businesses. Investors should not rely on the representations, warranties and covenants or any descriptions thereof as characterizations of the actual state of facts or condition of us, Real Alloy, Aleris, the GRSA Entities or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations and warranties may change after the date of the Purchase Agreement and Backstop Agreement, which subsequent information may or may not be fully reflected in the Company s public disclosures.

The Rights Offering

Please refer to The Rights Offering.

* * *

The Purchase Agreement and the Financing Agreements should not be read alone, but should instead be read in conjunction with the other information regarding us, Real Alloy, and GRSA that is or will be contained in, or incorporated by reference into, the Forms 10-K, Forms 10-Q, and other documents that the Company files with the SEC. Please refer to Where You Can Find Additional Information and Information Incorporated by Reference.

This prospectus supplement does not constitute an offer to sell or the solicitation of an offer to buy any securities, other than those shares of our common stock specifically referenced herein, nor does it constitute a solicitation of any vote or approval.

USE OF PROCEEDS

We estimate that the net proceeds from this Rights Offering will be approximately $55.0 million, before deducting our estimated offering expenses.

We intend to use the net proceeds of this Rights Offering and the other Financings, together with cash on hand and a portion of the net proceeds of the NABCO Sale, to pay the purchase price for the GRSA Acquisition and other costs and expenses related to the GRSA Acquisition, and any remaining net proceeds for general corporate purposes. See *The GRSA Acquisition and Financings*. This Rights Offering is contingent upon, and will close only upon, completion of the pending GRSA Acquisition. If the GRSA Acquisition is not completed, the rights agent will return all subscription payments received without interest or penalty, as soon as practicable thereafter.

As part of the Financings, to the extent that we fail to raise $125 million in the aggregate of net proceeds from the Equity Offering, this Rights Offering, the October 2014 Private Placement and a portion of the net proceeds of the NABCO Sale, we have entered into (i) the Backstop Agreement under which Aleris will purchase up to $30 million in additional shares of our Series B Preferred Stock and (ii) the Backstop Commitment Letter under which the Backstop Commitment Parties will provide us with up to $20 million in a secured bridge term loan. See The GRSA Acquisition and Financings The Backstop Agreement and The Financing Arrangements for more information. To the extent we raise more than $125 million in aggregate net proceeds from the Equity Offering, this Rights Offering, the October 2014 Private Placement and the NABCO Sale, any excess will be cash available for general corporate purposes.

The following table sets forth the estimated sources and uses of funds in connection with the GRSA Acquisition and the Financings described in this prospectus supplement. The estimated net proceeds from this Rights Offering reflected in the following table has been calculated based upon the issuance and sale of 9,751,773 shares of our common stock at a subscription price of $5.64 per share. The sources of funds present gross proceeds of the Equity Offering, this Rights Offering, the Senior Secured Notes Offering, the October 2014 Private Placement and the NABCO Sale, while the uses of funds include items such as underwriters discounts and commissions and other fees and expenses.

The actual amounts may vary from the estimated amounts set forth in the following table.

Sources of funds **(in millions)**	
Cash	$ 45.0
Series B Preferred Stock(1)	25.0
Senior Secured Notes Offering(2)	305.0
Asset-Based Facility and Factoring Facility(3)	73.5
Rights Offering(4)	55.0
October 2014 Private Placement(5)	3.0
Equity Offering(6)	28.5
NABCO Sale Proceeds	45.0
Total sources of funds	$ 580.0

Uses of funds

(in millions)	
Fund GRSA Acquisition(7)	$ 525.0
Estimated fees and expenses(8)	35.8
Pre-funded interest reserve(9)	4.2
Original Issue Discount on Senior Secured Notes(10)	8.5
Excess Cash	6.5
Total uses of funds	$ 580.0

(1) Because this table reflects more than $45 million in aggregate net proceeds from this Rights Offering, this represents the issuance of 25,000 shares of Series B Preferred Stock at $1,000 per share placed into escrow to satisfy the indemnity obligations of Aleris and the selling entities under the Purchase Agreement. See The GRSA Acquisition and Financings and Description of Capital Stock Series B Preferred Stock for more information.

(2) Represents $305 million in aggregate principal amount of the Senior Secured Notes which have been issued by SGH Escrow (which is intended to be merged with Real Alloy). SGH Escrow will be required to redeem the Senior Secured Notes if the GRSA Acquisition does not close. See The GRSA Acquisition and Financings Senior Secured Notes for information about the Senior Secured Notes.

(3) See The GRSA Acquisition and Financings The Asset-Based Facility Commitment Letter and the Factoring Facility Commitment Letter.

(4) Assumed size of this Rights Offering, not including proceeds from the exercise of any subscription rights held by Warrantholders.

(5) Reflects the proceeds from the 300,000 shares sold in the October 2014 Private Placement at $10.00 per share on October 28, 2014. See Summary The Financings and Offerings for more information.

(6) Reflects the proceeds from the 4,384,615 shares sold in the Equity Offering at $6.50 per share completed on December 19, 2014.

(7) Does not include any adjustments to the purchase price in respect of the cash, indebtedness or transaction expenses of the GRSA Entities, nor a net working capital adjustment, as described under The GRSA Acquisition and Financings The Purchase Agreement.

(8) Represents fees and expenses, including discounts and commissions, commitment fees, legal, accounting and other fees and expenses associated with the completion of the GRSA Acquisition and the Financings.

(9) Represents deposits made into an interest reserve account in connection with the Senior Secured Notes.

(10) Represents original issue discount on the Senior Secured Notes which were issued in an aggregate principal amount of $305.0 million, at an issue price to SGH Escrow of 97.206% of the principal amount thereof, resulting in gross proceeds to the issuer of approximately $296.5 million.

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of September 30, 2014:

on an actual basis;

on an as-adjusted basis to give effect to:

(i) the sale of NABCO, the repayment of NABCO s debt, the payment of fees and expenses and $3.9 million of restricted cash held in escrow in connection with the NABCO Sale, which provided net proceeds of $55.7 million;

(ii) the adjustments in clause (i), together with the sale of 4,384,615 shares of our common stock in the Equity Offering and the sale of 300,000 shares of our common stock in the October 2014 Private Placement, which, collectively, provided incremental aggregate net proceeds of $30.0 million before offering expenses but net of the underwriting discount; and

(iii) the adjustments in clause (ii), together with the sale of 9,751,773 shares of our common stock in this Rights Offering, the net proceeds of the Senior Secured Notes, Asset Based Facility and Factoring Facility, the issuance of the Series B Preferred and the purchase price, costs and expense associated with the GRSA Acquisition, which, collectively, uses aggregate net proceeds of $113.5 million. The assumed aggregate net proceeds of this Rights Offering, the Equity Offering, the October 2014 Private Placement, and certain net proceeds of the NABCO Sale provide in excess of $125 million, therefore the Backstop Notes and Backstop Agreement are not utilized. See Use of Proceeds for additional information of the individual components of the Financings.

We have not received any commitments with respect to shares to be offered in this Rights Offering, and there can be no assurance that we will be able to consummate this Rights Offering, the release from escrow of the proceeds from the Senior Secured Notes, the Asset-Based Facility or the Factoring Facility at the time or on the terms contemplated by this prospectus supplement, or at all.

For purposes of the table below, we have assumed that this Rights Offering raises $55.0 million in gross proceeds, selling 9,751,773 shares of common stock at a price per share of $5.64. We expect this Rights Offering, if fully subscribed, when combined with the proceeds from the Equity Offering, the October 2014 Private Placement and certain net proceeds of the NABCO Sale, will result in aggregate net proceeds of approximately $130 million, we will issue a total of 14,436,388 shares in this Rights Offering, the Equity Offering and the October 2014 Private Placement, and we may be obligated to issue up to an additional 843,000 shares to holders of our warrants issued in June 2010 (the Warrants) at the same price per share as the shares issued in this Rights Offering. See Description of Capital Stock Warrants .

If the per share price in this Rights Offering is below the exercise price of the Warrants, the Warrants exercise price will be adjusted downward to match the issue price. See Description of Capital Stock Warrants. If we do not receive $50 million of aggregate net proceeds from this Rights Offering, in connection with the GRSA Acquisition we intend to obtain up to $50 million in total from borrowings under the Backstop Notes and the issuance of additional shares of Series B Preferred Stock to Aleris under the Backstop Agreement. See note (4) below.

You should read this table in conjunction with the unaudited pro forma condensed combined financial information, the consolidated financial statements of Signature and combined and consolidated financial statements of GRSA, the associated Management s Discussion and Analysis of Financial Condition and Results of Operations of Signature, and Management s Discussion and Analysis of Financial Condition and Results of Operations of GRSA and the Overview of Proforma Liquidity and Capital Resources included in this prospectus supplement.

	As of September 30, 2014			
(Dollars in thousands except per share amounts)	**Actual**	**As Adjusted for the Sale of NABCO**	**As Adjusted for the Sale of NABCO, the Equity Offering and the October 2014 Private Placement**	**As Adjusted for this Rights Offering, Senior Secured Notes, Asset-Based Facility, Factoring Facility and GRSA Acquisition(1)**
Cash and cash equivalents	$ 44.8	$ 100.5	$ 130.5	$ 17.0
Debt (including current maturities):				
Line of credit	$ 1.2	$	$	$
$8,000 term loan, base rate + 1%, due September 2018	4.8			
$11,500 term loan, 5.0%, due December 2018	9.8			
Capital leases				4.3
Senior Secured Notes(2)				305.0
Proposed Asset-Based Facility and Factoring Facility(2)(3)				73.5
Proposed Notes Backstop(4)				
Total debt (including current maturities)	15.8			382.8
Proposed Series B Preferred Stock(4)				25.0
Stockholders equity:				
Series A Preferred Stock, $0.001 par value, none issued or outstanding				
Common stock, par value $0.001 per share; 12,304,649 shares actually issued and outstanding and 27,095,665 pro forma shares issued and outstanding as adjusted for this offering, October 2014 Private Placement and this Rights Offering(5)				
Additional paid-in capital	452.9	452.9	482.9	532.9
Accumulated deficit	(401.4)	(361.9)	(361.9)	(381.5)
Total stockholders equity	51.5	91.0	121.0	151.4
Total capitalization	$ 67.3	$ 91.0	$ 121.0	$ 559.2

(1) Assumes that the aggregate net proceeds of the Equity Offering, the October 2014 Private Placement and this Rights Offering, together with certain net proceeds of the NABCO Sale, exceed $125 million, and therefore the Backstop Notes or Backstop Agreement are not utilized and that we issued $25 million in Series B Preferred Stock. Does not include any adjustments to the purchase price in respect of the cash, indebtedness or transaction expenses of the GRSA Entities, nor a net working capital adjustment.

(2) We have issued the Senior Secured Notes subject to closing of the GRSA Acquisition, the proceeds of which are being held in escrow pending the closing of the GRSA Acquisition, and we are actively pursuing entry into the proposed Asset-Based Facility and the proposed Factoring Facility. While we have obtained commitments to provide the proposed Asset-Based Facility and Factoring Facility, we cannot assure you that we will satisfy all

necessary conditions, and there can be no assurance that we will be able to obtain such facilities on acceptable terms or at all. The commitments related to the proposed debt Financings are contingent upon, among other things, consummation of the GRSA Acquisition.

(3) Represents the amount expected to have been outstanding based on a September 30, 2014 closing date for the GRSA Acquisition and the Financings. The aggregate amount of the proposed Asset-Based Facility is $110 million and the aggregate amount of the proposed Factoring Facility is 50 million.

(4) If we do not receive $50 million of aggregate net proceeds from this Rights Offering, we intend to obtain up to $20 million from borrowings under the Backstop Notes and up to $30 million from the issuance of additional shares of Series B Preferred Stock to Aleris under the Backstop Agreement. The amount of net proceeds received from this Rights Offering will be applied to reduce the amount of the Backstop Notes and the sale of Series B Preferred Stock to Aleris under the Backstop Agreement on 62.5% to 37.5% basis. Additionally, upon the closing of the GRSA Acquisition, we will issue 30,000 shares of our Series B Preferred Stock at $1,000 per share for a total issuance price of $30 million to Aleris, which shares will be placed into an escrow account to satisfy the indemnification obligations of Aleris under the Purchase Agreement. In the event that the aggregate net proceeds from this Rights Offering equal or exceed $45 million, we will instead issue 25,000 shares of our Series B Preferred Stock for a total issuance price of $25 million to Aleris, which shares will be placed, along with $5 million of cash, into the escrow account.

(5) The number of shares of our common stock to be outstanding immediately after this Rights Offering is based on 17,343,892 shares outstanding as of January 28, 2015 and excludes as of this date:

shares of treasury stock;

865,560 shares of common stock issuable upon the exercise of stock options outstanding with a weighted-average exercise price of $6.35 per share;

486,680 shares of common stock reserved for future issuance under our equity incentive plans; and

1,500,000 shares of common stock issuable upon exercise of warrants outstanding, and additional shares issuable to our Warrantholders at the same price per share issued under this Rights Offering. See Capitalization and Description of Capital Stock Warrants.

DIVIDEND POLICY AND RESTRICTIONS ON DIVIDENDS

The decision to pay dividends is made by our Board and is dependent on our earnings, management s assessment of future capital needs, and other factors. We do not expect to pay any cash dividends on our common stock in the foreseeable future.

The terms of the Series B Preferred Stock to be issued in connection with the GRSA Acquisition will provide for the payment of quarterly dividends, which dividends will be prior and in preference to any dividend on any of our common stock. Such dividends will be paid in kind for the first two years, and thereafter will be paid in cash. See Description of Our Capital Stock Series B Preferred Stock.

The payment of future cash dividends may be further limited by the terms of the Financings discussed in this prospectus supplement, and by financings we may enter into in the future. See The GRSA Acquisition and Financings The Financing Arrangements.

In addition, we are a holding company that does not operate any business that is separate from its subsidiaries, primarily SGGH, LLC and the subsidiaries of SGGH, LLC. We are therefore dependent on SGGH, LLC, whose predecessors have not paid a dividend since the fourth quarter of 2006, or other subsidiaries we may form or acquire in the future, including GRSA, for any funds from which to pay dividends.

Further, the ability of any of our subsidiaries to pay dividends to us may be limited by the terms of their indebtedness. For example, we expect that the ability of GRSA to pay dividends to us after the closing of the GRSA Acquisition will be limited by the terms of GRSA s indebtedness.

MARKET PRICE OF COMMON STOCK

Our common stock is quoted on the OTCQX and prior to the Effective Date of the Rights Offering has traded under the symbol SGGH. During the period of the Rights Offering, the subscription rights will attach to the shares of our common stock as a unit and will trade under the symbol SGGHU. The following table sets forth, for the periods indicated, the high and low trade prices for our common stock as reported on the on the OTCQX. The ten Rights which attach to each share of our common stock pursuant to the Rights Agreement are not separable from our common stock, and therefore do not trade separately.

	High	Low
Year ended December 31, 2013		
First Quarter	$ 6.00	$ 4.00
Second Quarter	9.30	5.10
Third Quarter	14.20	9.00
Fourth Quarter	12.40	9.32
Year ended December 31, 2014		
First Quarter	$ 12.00	$ 9.50
Second Quarter	11.75	9.85
Third Quarter	10.25	8.00
Fourth Quarter	10.65	6.35
Year ended December 31, 2015		
First Quarter (through January 28)	$ 8.82	$ 6.80

The above table has been adjusted to reflect retrospective application of our one-for-ten reverse stock split, effective October 15, 2013.

The last reported bid price of our common stock on the OTCQX on January 28, 2015 was $7.40 per share.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial information has been prepared to illustrate the effect of the NABCO Sale, which closed on January 9, 2015, and the proposed GRSA Acquisition under the acquisition method of accounting in accordance with FASB ASC 805, *Business Combinations* (ASC 805), with the Company treated as the acquirer, as well as the effect of the Financings. The unaudited pro forma condensed combined financial information includes pro forma events that are (1) directly attributable to the GRSA Acquisition and the Financings, (2) factually supportable, and (3) with respect to the statements of operations, expected to have a continuing impact on the combined results of the Company and GRSA. Although the Company has entered into the Purchase Agreement, there is no guarantee that the GRSA Acquisition or the Financings will be completed. The unaudited pro forma condensed combined financial information is derived from the historical consolidated financial statements of Signature and the historical combined and consolidated financial statements of GRSA (carve-out of certain operations of Aleris). The unaudited pro forma condensed combined balance sheet has been prepared as if the NABCO Sale, the GRSA Acquisition and the Financings were completed on September 30, 2014. The unaudited pro forma condensed combined statements of operations for the nine months ended September 30, 2014 and 2013 and the year ended December 31, 2013 have been prepared as if the NABCO Sale, GRSA Acquisition and the Financings were completed on January 1, 2013, and combine the historical results of operations of the Company and GRSA with certain adjustments, such as the results of the NABCO Sale, financing costs directly related to the GRSA Acquisition and the Financings and amortization of intangible assets acquired in the GRSA Acquisition.

The unaudited pro forma condensed combined statements of operations do not, however, reflect future events that may occur after the consummation of the GRSA Acquisition, including, but not limited to, the anticipated realization of ongoing savings from the elimination of Aleris corporate overhead allocations in excess of expected corporate support and services costs, operating synergies, if any, and certain one-time charges the Company expects to incur in connection with the GRSA Acquisition and the Financings, including, but not limited to, costs in connection with incorporating GRSA into the Company and supporting GRSA s business needs.

The unaudited pro forma condensed combined financial information is for informational purposes only. It does not purport to indicate the results that would actually have been obtained had the NABCO Sale, GRSA Acquisition and the Financings been completed on the assumed dates or for the periods presented, or which may be realized in the future. To produce the unaudited pro forma condensed combined financial information, the Company adjusted GRSA s assets and liabilities to their estimated fair values. As of the date of this prospectus supplement, neither the GRSA Acquisition nor the Financings have been consummated and the Company has not completed the valuations necessary to arrive at the required fair value estimates of the GRSA assets to be acquired and liabilities to be assumed and the related allocation of the purchase price, nor has it identified adjustments, if any, necessary to conform GRSA s accounting policies to the Company s accounting policies. A final determination of the fair value of GRSA s assets and liabilities will be based on the actual net tangible and intangible assets and liabilities of GRSA that exist as of the date of completion of the GRSA Acquisition and, therefore, cannot be made prior to that date.

Accordingly, the accompanying unaudited pro forma purchase price allocation is preliminary and is subject to adjustment as additional information becomes available and as additional analyses are performed. The preliminary unaudited pro forma purchase price allocation has been made solely for the purpose of preparing the accompanying unaudited pro forma condensed combined financial information. The preliminary pro forma purchase price allocation was based on reviews of publicly disclosed allocations for other acquisitions in the aluminum industry, data that was available through the public domain, and the Company s due diligence review of GRSA. Upon completion of the GRSA Acquisition, valuations will be performed and any increases or decreases in the fair value of relevant balance sheet amounts will result in adjustments to the balance sheet and/or statements of operations until the purchase price allocation is finalized following the completion of the GRSA Acquisition.

UNAUDITED PRO FORMA CONDENSED COMBINED BALANCE SHEET

AS OF SEPTEMBER 30, 2014

	Historical		Pro Forma Adjustments				Pro Forma
(Dollars in millions)	**Signature**	**GRSA**	**NABCO**	**Ref.**	**GRSA**	**Ref.**	**as Adjusted**
ASSETS							
Current assets:							
Cash and cash equivalents	$ 44.8	$ 11.7	$ 55.7	(b)	$ (95.2)	(a)	$ 17.0
Restricted cash			3.9	(c)			3.9
Trade accounts receivable, net	4.9	152.4	(4.9)	(a)			152.4
Inventory	11.6	158.5	(11.6)	(a)	3.9	(b)	162.4
Other current assets	1.8	10.2	(0.5)	(a)	(7.3)	(c)	4.2
Current assets of discontinued operations	0.1						0.1
Total current assets	63.2	332.8	42.6		(98.6)		340.0
Property, plant and equipment	0.5	188.9	(0.4)	(a)	92.6	(d)	281.6
Intangible assets, net	2.0		(1.9)	(a)	80.0	(e)	80.1
Goodwill	17.8		(17.8)	(a)	90.9	(f)	90.9
Other noncurrent assets	2.4	16.9	(0.4)	(a)	16.7	(g)	35.6
TOTAL ASSETS	$ 85.9	$ 538.6	$ 22.1		$ 181.6		$ 828.2
LIABILITIES AND STOCKHOLDERS EQUITY							
Current liabilities:							
Trade payables	$ 4.8	$ 138.7	$ (2.3)	(a)	$ (2.0)	(c)	$ 139.2
Toll liability		17.0			0.6	(b)	17.6
Line of credit	1.2		(1.2)	(a)			
Long-term debt due within one year	3.9	1.4	(3.9)	(a)			1.4
Other current liabilities	1.6	23.7	0.7	(d)	(0.5)	(j)	25.5
Current liabilities of discontinued operations	0.2						0.2
Total current liabilities	11.7	180.8	(6.7)		(1.9)		183.9
Long-term debt	10.7	2.9	(10.7)	(a)	378.5	(h)	381.4
Accrued pension benefits		34.5			7.9	(i)	42.4
Environmental liabilities		18.5					18.5
Common stock warrant liability	5.9						5.9
Other noncurrent liabilities	0.3	17.0			(4.3)	(j)	13.0
Noncurrent liabilities of discontinued operations	5.8						5.8
TOTAL LIABILITIES	34.4	253.7	(17.4)		380.2		650.9
Preferred stock					25.0	(h)	25.0
Stockholders equity:							
Common stock							
Additional paid-in capital	452.9				80.0	(k)	532.9
Accumulated deficit	(401.4)		39.5	(e)	(19.6)	(l)	(381.5)
Net Parent Company investment		294.2			(294.2)	(m)	
Other comprehensive loss		(10.2)			10.2	(m)	
Total stockholders equity before noncontrolling interest	51.5	284.0	39.5		(223.6)		151.4
Noncontrolling interest		0.9					0.9
TOTAL STOCKHOLDERS EQUITY	51.5	284.9	39.5		(223.6)		152.3

TOTAL LIABILITIES, STOCKHOLDERS EQUITY AND PREFERRED STOCK	$ 85.9	$ 538.6	$ 22.1	$ 181.6	$ 828.2

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Information.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

NINE MONTHS ENDED SEPTEMBER 30, 2014

(Dollars in millions, except per share amounts)	Nine Months Ended September 30, 2014 Historical		Pro Forma Adjustments				Pro Forma as Adjusted
	Signature	GRSA	NABCO	Ref.	GRSA	Ref.	
Operating revenues:							
Net sales	$ 29.3	$ 1,165.7	$ (29.3)	(a)	$		$ 1,165.7
Cost of sales	(19.1)	(1,096.2)	18.7	(a)	(9.1)	(d)	(1,105.7)
Finance income, net	0.1						0.1
Gross profit	10.3	69.5	(10.6)		(9.1)		60.1
Operating costs:							
Selling, general and administrative	12.8	41.0	(4.0)	(a)	(1.5)		48.3
Interest expense	0.7		(0.7)	(a)	29.7	(h)	29.7
Amortization of intangibles	0.9		(0.8)	(a)	4.0	(e)	4.1
Other		(1.8)					(1.8)
Total operating costs	14.4	39.2	(5.5)		32.2		80.3
Operating profit (loss)	(4.1)	30.3	(5.1)		(41.3)		(20.2)
Other income (expense):							
Change in fair value of common stock warrant liability	3.4						3.4
Other, net	(0.3)	(4.1)					(4.4)
Total other income (expense)	3.1	(4.1)					(1.0)
Earnings (loss) from continuing operations before income taxes	(1.0)	26.2	(5.1)		(41.3)		(21.2)
Income tax expense (benefit)	0.5	(0.7)	(0.1)	(a)	(3.8)	(o)	(4.1)
Earnings (loss) from continuing operations	(1.5)	26.9	(5.0)		(37.5)		(17.1)
Earnings (loss) attributable to noncontrolling interest		0.9					0.9
Net earnings (loss) attributable to Signature Group Holdings, Inc.	$ (1.5)	$ 26.0	$ (5.0)		$ (37.5)		$ (18.0)
EARNINGS (LOSS) PER SHARE							
Basic and diluted earnings (loss) per share:							
Weighted average shares outstanding during the period	12,146,271				14,791,016	(p)	26,937,287
From continuing operations	$ (0.13)						$ (0.67)

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Information.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

NINE MONTHS ENDED SEPTEMBER 30, 2013

	Nine Months Ended September 30, 2013						
	Historical		Pro Forma Adjustments				Pro Forma as
(Dollars in millions, except per share amounts)	**Signature**	**GRSA**	**NABCO**	**Ref.**	**GRSA**	**Ref.**	**Adjusted**
Operating revenues:							
Net sales	$ 28.1	$ 1,135.3	$ (28.1)	(a)	$		$ 1,135.3
Cost of sales	(17.8)	(1,074.3)	17.7	(a)	(9.1)	(d)	(1,083.5)
Finance income, net	6.2						6.2
Gross profit	16.5	61.0	(10.4)		(9.1)		58.0
Operating costs:							
Selling, general and administrative	13.9	39.0	(3.7)	(a)			49.2
Interest expense	3.0		(0.8)	(a)	29.5	(h)	31.7
Amortization of intangibles	1.2		(1.2)	(a)	4.0	(e)	4.0
Other		1.1					1.1
Total operating costs	18.1	40.1	(5.7)		33.5		86.0
Operating profit (loss)	(1.6)	20.9	(4.7)		(42.6)		(28.0)
Other income (expense):							
Change in fair value of common stock warrant liability	(8.4)						(8.4)
Other, net		(4.4)					(4.4)
Total other income (expense)	(8.4)	(4.4)					(12.8)
Earnings (loss) from continuing operations before income taxes	(10.0)	16.5	(4.7)	(a)	(42.6)		(40.8)
Income tax expense (benefit)	0.1	4.3	(0.1)	(a)	(2.2)	(o)	2.1
Earnings (loss) from continuing operations	(10.1)	12.2	(4.6)		(40.4)		(42.9)
Earnings (loss) attributable to noncontrolling interest		0.8					0.8
Net earnings (loss) attributable to Signature Group Holdings, Inc.	$ (10.1)	$ 11.4	$ (4.6)		$ (40.4)		$ (43.7)
EARNINGS (LOSS) PER SHARE							
Basic and diluted earnings (loss) per share:							
Weighted average shares outstanding during the period	11,843,526				14,791,016	(p)	26,634,542
From continuing operations	$ (0.85)						$ (1.64)

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Information.

UNAUDITED PRO FORMA CONDENSED COMBINED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2013

	Year Ended December 31, 2013						
	Historical		Pro Forma Adjustments				Pro Forma
(Dollars in millions, except per share amounts)	Signature	GRSA	NABCO	Ref.	GRSA	Ref.	as Adjusted
Operating revenues:							
Net sales	$ 36.9	$ 1,499.5	$ (36.2)	(a)	$		$ 1,500.2
Cost of sales	(23.4)	(1,417.3)	22.7	(a)	(12.1)	(d)	(1,430.1)
Finance income, net	6.7						6.7
Gross profit	20.2	82.2	(13.5)		(12.1)		76.8
Operating costs:							
Selling, general and administrative	17.7	51.9	(4.6)	(a)			65.0
Interest expense	4.0		(1.2)	(a)	39.4	(h)	42.2
Amortization of intangibles	1.6		(2.3)	(a)	5.3	(e)	4.6
Other		0.7					0.7
Total operating costs	23.3	52.6	(8.1)		44.7		112.5
Operating profit (loss)	(3.1)	29.6	(5.4)		(56.8)		(35.7)
Other income (expense):							
Change in fair value of common stock warrant liability	(6.9)						(6.9)
Other, net	0.1	(5.3)					(5.2)
Total other income (expense)	(6.8)	(5.3)					(12.1)
Earnings (loss) from continuing operations before income taxes	(9.9)	24.3	(5.4)		(56.8)		(47.8)
Income tax expense (benefit)	0.2	4.3	(0.1)	(a)	(2.2)	(o)	2.2
Earnings (loss) from continuing operations	(10.1)	20.0	(5.3)		(54.6)		(50.0)
Earnings (loss) attributable to noncontrolling interest		1.0					1.0
Net earnings (loss) attributable to Signature Group Holdings, Inc.	$ (10.1)	$ 19.0	$ (5.3)		$ (54.6)		$ (51.0)
LOSS PER SHARE							
Basic and diluted loss per share:							
Weighted average shares outstanding during the period	11,847,023				14,791,016	(p)	26,638,039
From continuing operations	$ (0.85)						$ (1.91)

See accompanying Notes to Unaudited Pro Forma Condensed Combined Financial Information.

NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

1. DESCRIPTION OF NABCO SALE AND GRSA ACQUISITION AND BASIS OF PRESENTATION

On January 9, 2015, we completed the sale of our indirect wholly owned subsidiary, North American Breaker Co., LLC (NABCO), for gross proceeds of $78.0 million, subject to customary adjustments, to PNC Riverarch Capital, a division of PNC Capital Finance, LLC (the NABCO Sale). NABCO is one of the largest independent circuit breaker suppliers in the United States and which comprised our primary operating segment, Industrial Supply. We intend to use approximately $45 million of the estimated $55.7 million of net proceeds from the NABCO Sale to fund a portion of the purchase price for the GRSA Acquisition and we will maintain a maximum of $10.0 million of the estimated net proceeds of the NABCO Sale.

On October 17, 2014, Signature s indirect wholly owned acquisition subsidiary SGH Acquisition Holdco, Inc. (SGHAH) entered into the Purchase Agreement to acquire Aleris s global recycling and specification alloys business for $525 million, comprised of $495 million in cash and up to $30 million in a new series of preferred stock (the Series B Preferred Stock) that we will issue, subject to adjustments for the cash, indebtedness, transaction expenses and final net working capital adjustment of the entities comprising the GRSA Business (the GRSA Acquisition). On November 25, 2014, SGHAH changed its name to Real Alloy Holding, Inc. (Real Alloy).

We currently intend to finance the $495 million cash portion of the purchase price for the GRSA Acquisition, as well as costs associated with the GRSA Acquisition, using a combination of cash, equity and debt as follows: (i) $45 million of our cash, (ii) approximately $45.0 million of the proceeds from the NABCO Sale, (iii) net proceeds from the October 2014 Private Placement, (iv) net proceeds of the Equity Offering, (v) net proceeds from this Rights Offering that is intended to generate net proceeds of not less than $55 million, (vi) the net proceeds from the sale of the Senior Secured Notes, and (vii) $73.5 million in opening draws on the combination of the Asset-Based Facility and the Factoring Facility.

The GRSA Acquisition is reflected in the unaudited pro forma condensed combined financial information under the acquisition method in accordance with FASB Accounting Standards Codification (ASC) 805, *Business Combinations* (ASC 805), with Signature treated as the acquirer. The estimated purchase price allocation is presented in Note 2 in accordance with ASC 805, the assets acquired and liabilities assumed have been measured at estimated fair value based on various preliminary estimates. These estimates are based on key assumptions related to the transaction, including reviews of publicly disclosed allocations for other acquisitions in the aluminum industry, GRSA s historical experience, data that was available through the public domain and Signature s due diligence review of the GRSA business.

Due to the fact that the unaudited pro forma condensed combined financial information has been prepared based on preliminary estimates for a transaction that has not been completed, the final amounts recorded for the transaction, once completed, may differ materially from the information presented herein. The final determination of the recognition and measurement of the identified assets acquired and liabilities assumed will be based on the estimated fair value of actual net tangible and intangible assets and liabilities of GRSA at the completion of the tran