CONFIDENTIAL OFFERING MEMORANDUM

(First Supplement to Offer to Exchange dated March 18, 2016)

AMENDMENT NO. 1

TO

NEBRASKA BOOKS HOLDINGS, INC.

Offer to Exchange

Up to $133.2 Million in Principal Amount of 2.0% Convertible Senior PIK Notes Due 2026

For any and all outstanding

15.0% Senior Secured Notes Due 2016

(CUSIP No. 63983WAA6)

THE EXCHANGE OFFER, AS AMENDED, WILL EXPIRE AT 12:00 MIDNIGHT, NEW YORK CITY TIME, ON FRIDAY, SEPTEMBER 16, 2016, UNLESS EXTENDED BY NEBRASKA BOOKS HOLDINGS, INC. (AS SO EXTENDED, THE "EXPIRATION DATE").

This Amendment No. 1 ("Amendment No. 1") amends and supplements the Company's Offer to Exchange dated March 18, 2016 (the "Offer to Exchange"), as previously amended and supplemented. All information regarding the offer as set forth in the Offer to Exchange, including all exhibits and annexes thereto, is hereby expressly incorporated by reference into this Amendment No. 1, except that such information is amended and supplemented to the extent specifically provided for herein. Any information contained in the Offer to Exchange that is inconsistent with information contained in this Amendment No. 1 is superseded and replaced. Capitalized terms used but not defined in this Amendment No. 1 have the meanings ascribed to them in the Offer to Exchange. Holders of existing notes (as defined below) are urged to review this Amendment No. 1 in conjunction with the Offer to Exchange, the Company's press releases dated April 15, 2016, April 29, 2016, May 31, 2016, June 30, 2016, and July 29, 2016, and the Company's audited financial statements as of March 31, 2015 and March 31, 2016 and for the three years ended March 31, 2016, and its unaudited financial statements as of June 30, 2016 and for the quarters ended June 30, 2015 and June 30, 2016, all of which are incorporated herein by reference and which may be obtained on the Company's website, www.nebook.com, under the "News" and "Financial" tabs.

Nebraska Books Holdings, Inc., a Delaware corporation ("NBH," "we," "us" or the "Company"), is offering (the "exchange offer") to exchange for each $1.00 principal amount of outstanding 15.0% Senior Secured Notes due 2016 (excluding premium) (the "existing notes"):

- $1.05 principal amount of its 2.0% Convertible Senior PIK Notes Due 2026 (the "new senior notes"); and
- an additional amount of principal of our new senior notes equal to any accrued and unpaid interest due on the existing notes, held by the tendering holder to, but not including, the closing date of the exchange offer (which, based, on a closing date of September 19, 2016, we estimate at $0.160212864 per $1.00 of existing notes (excluding premium) (any fractional amount of new senior notes to be received in the exchange offer will be rounded down to the nearest dollar).

As of the date of this Amendment No. 1, $110.0 million principal amount, excluding premium, of existing notes was outstanding.

The exchange offer is subject to customary conditions, which we may assert or waive. These conditions include (1) 90.0% of the outstanding aggregate principal amount of the existing notes, excluding premium, is validly tendered and not withdrawn (as previously disclosed, the Company intends to continue to attempt to reacquire existing notes, either in the public market or privately, and only existing notes that have not been reacquired by the Company will be counted in determining the amount of existing notes outstanding for purposes of determining the satisfaction of the minimum tender condition); (2) finalizing definitive documentation for the new senior term loan with terms and conditions reasonably acceptable to the Company and funds managed by MAST Capital Management, LLC (collectively, "MAST"); (3) finalizing definitive documentation for the purchase by the Company of third party debt securities and a loan with a face value of $60.0 million for a total purchase price of $28.2 million (the "purchased loan") and (4) other customary conditions described in the Offer to Exchange. We refer to the new senior term loan, the purchase of the purchased loan and the additional draw of funds under the existing credit facility necessary to redeem the remaining existing notes not tendered in the exchange offer as the "restructuring transactions." See "The Exchange Offer — Conditions to the Completion of the Exchange Offer" in the Offer to Exchange. Holders of approximately $83.4 million of existing notes, excluding premium, have tendered into the exchange offer as of September 1, 2016.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION (THE "SEC") NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THIS TRANSACTION OR THESE SECURITIES, PASSED UPON THE MERITS OR FAIRNESS OF THE TRANSACTION, PASSED UPON THE ADEQUACY OR ACCURACY OF THE DISCLOSURE IN THIS AMENDMENT NO. 1 OR THE OFFER TO EXCHANGE, OR DETERMINED IF THIS AMENDMENT NO. 1 OR THE OFFER TO EXCHANGE IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

The new senior notes will be issued pursuant to the exemption from the registration requirements of the Securities Act of 1933, as amended (the "Securities Act"), provided by Rule 506(c) of Regulation D promulgated under the Securities Act and the exemption from state securities law requirements provided by Section 18(b)(4)(E) of the Securities Act. Only beneficial holders of existing notes that are "accredited investors," as such term is defined in Rule 501 of Regulation D may participate in the exchange offer. As a result, in addition to completing and returning the Letter of Transmittal, as a condition to accepting your tender of existing notes in the exchange offer, each beneficial owner of notes must also (1) complete and return an eligibility questionnaire certifying, among other things, such beneficial owner's status as an accredited investor, and (2) provide a written confirmation, from one of the following persons or entities that such person or entity has taken reasonable steps, on or after August 1, 2016, to verify that such beneficial owner is an accredited investor and has in fact determined that such purchaser is an accredited investor: (1) a registered broker-dealer; (2) an investment adviser registered with the Securities and Exchange Commission; (3) a licensed attorney who is in good standing under the laws of the jurisdictions in which he or she is admitted to practice law; or (4) a certified public accountant who is duly registered and in good standing under the laws of the place of his or her residence or principal office. See "The Exchange Offer — Procedures for Tendering Existing Notes in the Exchange Offer." **The exchange agent for the exchange offer is Computershare and the information agent for the exchange offer is Georgeson. The telephone number and address of the information agent are set forth under "Where You Can Find More Information" in the Offer to Exchange.**

SEE "RISK FACTORS" BEGINNING ON PAGE 16 OF THE OFFER TO EXCHANGE FOR A DISCUSSION OF RISKS YOU SHOULD CONSIDER BEFORE MAKING A DECISION WITH RESPECT TO THE EXCHANGE OFFER.

The date of this Amendment No. 1 is September 2, 2016.

AMENDMENTS TO OFFER TO EXCHANGE

The Offer to Exchange dated March 18, 2016 is amended and supplemented as follows:

Extension Of Exchange Offer

The exchange offer was previously scheduled to expire at 12:00 midnight, New York City time, on August 30, 2016, unless extended. As of the close of business on September 1, 2016, approximately $83.4 million in principal amount, or 75.8%, of the existing notes, excluding premium, have been validly tendered for exchange for new senior notes in the exchange offer and not validly withdrawn. The new expiration date for the exchange offer is 12:00 midnight, New York City time, on September 16, 2016, unless further extended by the Company (the “Expiration Time”). At the Expiration Time, the Company will accept all existing notes tendered and not withdrawn, provided that the remaining exchange offer conditions have been satisfied or waived and the expiration time has not been further extended. The amount of new senior notes to be issued will be determined based upon the amount of existing notes tendered and accepted in the exchange offer and the amount of accrued and unpaid interest due at the completion of the exchange offer. As previously disclosed, the Company intends to continue to attempt to reacquire existing notes, either in the public market or privately, and only existing notes that have not been reacquired by the Company will be counted in determining the amount of existing notes outstanding for purposes of determining the satisfaction of the minimum tender condition.

Amendment To Existing Notes Forbearance Agreement

The Company is also announcing that it has entered into a fourth amendment to the forbearance agreement (as amended by the first, second and third amendments, the “Existing Notes Forbearance Agreement”) with major noteholders, including MAST Capital Management, LLC on behalf of certain funds managed by it, and other noteholders (together, the “Forbearing Noteholders”), who collectively hold in excess of 75.0% of the existing notes. Pursuant to the fourth amendment to the Existing Notes Forbearance Agreement, each of the Forbearing Noteholders will forbear from exercising certain rights and remedies under the indenture governing the existing notes or initiating or joining any lawsuits or complaints relating to the indenture until the earlier of 5:00 p.m. New York City Time on September 19, 2016, or the occurrence of certain events of default specified in the Existing Notes Forbearance Agreement. The Existing Notes Forbearance Agreement, as amended, is intended to provide the Company a further opportunity to negotiate a restructuring of its indebtedness represented by the existing notes. The Company is actively negotiating with the Forbearing Noteholders the terms of potential debt restructuring arrangements with the objective of reaching an agreement by the end of the forbearance period.

Amendment To ABL Credit Facility Forbearance Agreement

As previously disclosed, the Company had entered into a forbearance agreement, as amended, with the agent and required lenders under its ABL credit facility pursuant to which they agreed not to exercise any of their rights or remedies with respect to specified defaults until August 31, 2016. This forbearance agreement has been amended to extend the termination date of the forbearance period through 11:59 p.m. New York City Time on September 19, 2016.

Revision To Conversion Terms Of New Senior Notes

The conversion terms of the new senior notes have been modified and revised as follows: At any time prior to 5:00 p.m. Eastern time on the second business day immediately preceding April 1, 2026, each $1,000 of principal amount of such notes are convertible into 4,420 shares of common stock of the Company, determined based on a 25% premium above the 60 business day VWAP of our common stock on September 1, 2016, subject to restrictions on conversion that are intended to protect the Company’s ability to continue to use its net operating loss carryforwards for federal income tax purposes. Otherwise, all terms of the new senior notes remain unchanged. See “Description of the New Senior Notes — Conversion Rights” contained in the Offer to Exchange. The indenture for the new senior notes, the form of which is attached to the Offer to Exchange, will be amended as necessary to reflect the revision to the conversion price described above as well as other changes required based on the terms of this Amendment No. 1.

CAPITALIZATION

	as of June 30, 2016		
	Actual	Adjusted	
		100% Exchange (1)	Combination(1)
Cash and cash equivalents	$ 3.8	$ 3.8	$ 3.8
Debt:			
Existing ABL Credit Facility (2)	$ 64.0	$ 66.2	$ 90.7
Existing Senior Secured Notes (3)	128.5	-	-
Existing Sale Leaseback Obligations (4)	6.4	6.4	6.4
Debt Issuance Costs	(2.9)	(2.9)	(2.9)
New Convertible Notes offered hereby (5)	-	128.5	97.0
New First Lien Term Loan Notes Issued for Acquisition of Asset Contribution (6).	-	28.2	28.2
Total Debt	$ 196.0	$ 224.2	$ 217.2
Total stockholders' deficit (7)	(108.0)	(110.2)	(103.2)
Total capitalization (5)	$ 88.0	$ 116.2	$ 116.2

(in millions)

(1) The "Adjusted" columns represent two scenarios. The "100% Exchange" scenario assumes all of the existing notes participate in the exchange offer. The "Combination" scenario includes a combination of repayment, exchange and Company buy back of existing notes and assumes that the Company draws up to the maximum capacity of its ABL Credit Facility to pay its closing costs and repay or otherwise acquire the existing notes that have not tendered their position. This scenario assumes that the Company repays certain non-tendered existing notes in accordance with the indenture and/or acquires other non-tendered existing notes at a discount from the redemption price in private or open market transactions. Actual results of the offer will likely fall between these scenarios. These scenarios are provided to give holders of existing notes the potential range in the Company's capitalization assuming the exchange offer closed on June 30, 2016. Although the closing of the exchange offer is anticipated to occur on September 19, 2016, the Company does not expect that the amount outstanding under the ABL Credit Facility in the Combination scenario will exceed $90.7 million, as the Company anticipates that any increased interest costs accruing between June 30, 2016 and September 19, 2016 will be offset by reduced costs to repurchase existing notes.

(2) The ABL Credit Facility will be amended and remain in place and, with such terms as described in the "Description of Other Indebtedness" section, the maximum capacity will be increased to $95.7 million; however, the Company expects that the total outstanding balance for the ABL Credit Facility will not exceed $90.7 million at the closing of the exchange offer, after paying closing costs and/or purchasing or repaying outstanding notes. Any availability following the closing of the exchange offer may only be drawn with the permission of the ABL lenders.

(3) On the issue date, we will irrevocably deposit with the trustee of the existing notes an amount sufficient to satisfy and discharge our obligations under any existing notes not tendered in the exchange offer or otherwise repurchased and to release the liens relating thereto. The existing notes currently bear interest at 17.0% per annum, and matured on June 30, 2016, with a 5.0% premium at maturity.

(4) The sale leaseback obligation was recorded when the Lincoln headquarter buildings were sold and leased back to the Company on October 19, 2015.

(5) Does not give effect to original issue discount, if any. As of June 30, 2016, this figure reflects interest and premium accrued of $18.5 million. Assuming a closing date of September 19, 2016, the accrued interest and premium are projected to be approximately $23.1 million, resulting in a total projected existing note balance of $133,123,415 at September 19, 2016.

(6) The amount borrowed will be used to acquire the purchased assets. The New Senior Term Loan will bear interest at 6.0% per annum, with a two-year paid-in-kind pay option.

(7) Stockholders' deficit in the "Combination" scenario is adjusted for assumed gains related to repurchasing existing notes at a discount and for closing costs; see Notes 1 and 2. Final accounting treatment of such gains and expenses may change depending on the characterization of the exchange in accordance with generally accepted accounting principles.

Fully Diluted Equity Capitalization Table (1)

	Outstanding as of Date Hereof	(%)	Outstanding Immediately Following Closing	(%)
Common Stock	6,721,765	94.98%	6,721,765	1.13%
Vested Restricted Stock Units (2)	355,276	5.02%	355,276	0.06%
Convertible Notes (3)	0	0.00%	588,729,282	98.81%
Total	**7,077,041**	**100.00%**	**595,806,323**	**100.00%**

(1) Excludes:

(a) 17,160 options to purchase Common Stock that are outstanding, all of which have a strike price of $10.19 per share and of which 15,510 are vested; and

(b) 2,178,189 warrants to purchase Common Stock that are outstanding, 693,054 of which have a strike price of $14.88 per share and 1,485,135 of which have a strike price of $22.32 per share.

(2) There are 578,718 Restricted Stock Units currently outstanding and eligible for vesting over time, which includes 221,767 unvested RSUs to be issued to Rick Bunka, the Company's anticipated new CEO, concurrently with the closing of the exchange offer. Mr. Bunka's RSUs contain dilution protections providing that they will represent 3.0% of the fully diluted equity following the closing of the exchange. RSUs vest according to a schedule set forth in the applicable Grant Agreement, but only convert into shares of Common Stock upon a Change of Control (as defined in the applicable Grant Agreement). The transactions contemplated by the exchange offer and related transactions do not constitute a Change of Control.

(3) Assumes tender in the exchange offer of 100% of the existing notes and full conversion of $133.2 million principal, premium and interest to be outstanding on such notes as of September 19, 2016.

DESCRIPTION OF OTHER INDEBTEDNESS

ABL Credit Facility

On November 13, 2014, Nebraska Book Company and its wholly owned subsidiaries entered into a revolving credit facility with a new lender (the "ABL credit facility"). Nebraska Book Company is an indirect wholly owned subsidiary of the Company. The ABL credit facility originally provided for both revolving advances and delayed draw term loans and was set to mature on the earlier of November 13, 2019 or 90 days before the maturity of the existing notes. Concurrently with the closing of the sale of the campus bookstore operations to Follett, PNC Bank assigned to certain funds managed by MAST all of its rights and obligations under the ABL credit facility. Through a series of amendments between the lenders and Nebraska Book Company, the ABL credit facility was amended into an $80 million term loan credit facility. Through a series of amendments, Nebraska Book Company and its wholly owned subsidiaries have entered into a forbearance agreement with the agent and required lenders pursuant to which they have agreed not to exercise any of their rights or remedies with respect to defaults arising out of the springing maturity date of the ABL credit facility until September 19, 2016 in order for the Company to complete the exchange offer, at which point the existing stated maturity of November 13, 2019 will be reinstated and any such defaults would be deemed to have been cured. Borrowings under the ABL credit facility as of September 1, 2016 totaled $64.1 million, which includes $4.6 million of commitment fees and interest paid-in-kind described below. No additional borrowings can be made under the ABL credit facility without the ABL lenders' permission, which can be withheld in their discretion. Once repaid, delayed draw term loans cannot be borrowed again. Various conditions, as defined in the ABL credit facility, must be met before delayed draw term loans can be repaid.

Delayed draw term loans currently accrue interest at an annual rate of 8.0%, of which 5.0% is due and payable in cash in arrears on the last day of each month and 3.0% is paid-in-kind and added to the principal balance of the delayed draw term loans on the last day of each month. Interest paid-in-kind as of September 1, 2016 totaled approximately $2.2 million.

There were $2.3 million of commitment fees associated with the delayed draw term loans which are due and payable upon maturity of the ABL credit facility. The commitment fees accrue interest in the same manner as the delayed draw term loans and are subject to the same repayment conditions which exist for the delayed draw term loans. Interest paid-in-kind on these fees as of September 1, 2016 totaled approximately $0.1 million.

Nebraska Book Company and each of its wholly owned subsidiaries, as borrowers and guarantors, have guaranteed the obligations under the ABL credit facility. The ABL credit facility is secured by first priority liens on, and a first priority security interest in, substantially all of the non-real estate assets of Nebraska Book Company and each of its wholly owned subsidiaries, including all of the capital stock of such subsidiaries and all intercompany debt. The security interests are evidenced by the ABL credit facility and other related agreements, including certain intellectual property security agreements, deposit account control agreements, and a pledge agreement.

The ABL credit facility contains representations, warranties, affirmative covenants, negative covenants, information requests, and events of default customarily applicable to ABL facilities. Pursuant to a certain Intercreditor Agreement dated as of November 13, 2014, among the agent of the ABL credit facility, the trustee for the existing notes and certain other parties thereto, the liens securing our obligations under the ABL credit facility are senior to the liens securing our obligations under the existing notes. The Intercreditor Agreement also requires that, after an event of default under either the ABL credit facility or the existing notes, any proceeds of enforcement with respect to collateral will be applied, first, to the obligations under the ABL credit facility until paid in full, and, second, to the obligations under the existing notes.

Concurrently with the closing of the exchange offer, the ABL credit facility will be amended to increase total availability to up to $95.7 million; however, the Company expects that the total outstanding balance for the ABL Credit Facility will not exceed $90.7 million at the closing of the exchange offer, after paying closing costs and/or purchasing or repaying outstanding notes. New debt will be issued at the closing of the exchange offer in order to fund purchases of existing notes not tendered in the exchange offer and pay professional fees and expenses in connection with the exchange offer and related transactions. Upon completion of the exchange offer, indebtedness under the ABL credit facility will consist of the following:

- a new first lien tranche (“Tranche A Term Loans”) in an amount of up to $15.0 million will be outstanding;

- a new tranche of term loans (“Tranche B Term Loans”) in the aggregate amount of $75.7 million will be outstanding; and

- a total availability of up to $95.7 million (including all amounts borrowed as described in the previous two bullet points); provided, however, that any additional borrowings beyond the outstanding amount at the closing of the exchange offer may only be made with the consent of the ABL lenders, which may be withheld in their sole discretion.

Tranche B Term Loans will be junior in lien priority to the Tranche A Term Loans. Interest on the Tranche A Term Loans shall accrue at a rate of 4.0% per annum payable in cash plus 4.0% per annum payable in kind. Interest on the Tranche B Term Loans shall accrue at a rate of 5.0% per annum payable in cash plus 3.0% per annum payable in kind, consistent with the interest rate on the existing term loans. The Tranche A Term Loans shall mature on the earlier of (i) four years from the funding of the Tranche A Term Loans, and (ii) 90 days prior to the maturity of the Tranche B Term Loans. The Tranche B Term Loans shall mature on November 13, 2019, consistent with the maturity date of the existing term loans.

New Senior Term Loan

As part of the restructuring, a newly formed subsidiary of the Company (“Newco”), created for the purpose of purchasing and holding the Sonifi loan participations, will enter into a new senior term loan of $28.2 million with MAST. The proceeds of the new senior term loan will be used to acquire the purchased loan participation, as described below. The new senior term loan will mature four years from the closing date and bear interest at a rate per annum equal to 6.0%, which may be paid in kind at the Company’s option for a period of two years from the closing date.

Purchased Loan Participation

As previously disclosed, the Company is purchasing participations in term loans of Sonifi Solutions, Inc. (“Sonifi”) in exchange for a term loan issued by Newco. The proceeds of the new senior term loan will be used solely to acquire the Sonifi participation interest. As a closing condition to the new senior term loan, Newco will enter into the participation agreement and grant a first lien security interest in the participation interest to the senior term loan lenders. The lenders under the ABL credit facility will also be granted a second lien security interest in the participation interest. Under the terms of the participation agreement, the Company will receive full economic participation rights with respect to the purchased loans as well as certain voting rights. The senior term loan lenders have also agreed to use commercially reasonable efforts to assign the purchased loans to Newco upon the request of the Company’s board of directors. The principal amount of Sonifi loans purchased will be $60.0 million, at a purchase price of $0.47 per dollar of original principal amount. The loan was priced based on the recent trading activity for similar loans. The loan is summarized below:

Name	Maturity	Principal ($)	Mkt. Price	Purchase Price	Rate (%)	Income ($)	Current Yield (%)
Sonifi Solutions Inc.	March 31, 2018	$ 60,000,000	47.00%	$ 28,200,000	8.00%	$ 4,800,000	17.02%

Sonifi Solutions, Inc.

Sonifi was formed in 1980 and is headquartered in Sioux Falls, South Dakota. Sonifi provides in-room entertainment and broadband services predominately to the hospitality and healthcare industries. Since entering into its first lien term, Sonifi has paid all interest payments when due. The term loan allowed Sonifi to pay interest in kind three times. During the first three quarters of 2015, Sonifi paid interest in kind. Starting in December 2015, Sonifi paid cash interest and will be required to pay cash interest on the term loan going forward. There is no financial information publicly available for this company.

In evaluating the investment in Sonifi, our management and the special committee and its advisors considered the limited information on Sonifi, available on Sonifi's website at http://www.sonifi.com/ and confidential information made available to us, subject to a confidentiality agreement, including the financial statements of the company. We have not undertaken to verify the accuracy of the information on the website. Sonifi does not make available to the public its financial information and we are not disclosing any financial information with respect to it. In making a decision whether to participate in the exchange offer, noteholders should not rely on the ability of this borrower to make payments of principal or interest. See "Risk Factors — Risks Related to the Restructuring Transactions — The borrower under the loan we are purchasing could default on its obligations, which could have a material adverse effect on our financial condition," contained in the Offer to Exchange.

MANAGEMENT

The members of the Company's board of directors and senior executive officers and their ages are as follows:

Name	Age	Position
Ben Riggsby	44	Interim Chief Executive Officer, President and Director
John Maciel	49	Interim Chief Financial Officer
Rick Bunka	57	Senior Advisor; CEO and President elect
Peter Reed	36	Director
Steven Clemente	46	Director
Justin Bonner	34	Director
Adam Kleinman	40	Director
Benjamin Ng	53	Director
Kenneth S. Grossman		Director Nominee

The business experience, principal occupation and employment as well as the periods of service of each of the Company's directors and senior executive officers during the last five fiscal years are set forth below.

Ben Riggsby has served as Interim CEO of the Company since February 2015 and a Director since March 2016. Mr. Riggsby joined the Company in December 2012 as Vice President – Business Intelligence where he led the Company's development of enterprise-wide textbook pricing and inventory management strategies. Prior to that, Mr. Riggsby served as Principal of Steelhead Enterprises, a multi-channel distressed retail goods dealer, from December 2010 to December 2012. From March 2006 to December 2010, Ben was Senior Vice President of Merchandising at Movie Gallery, Inc. which operated over 4,500 Hollywood Video, Game Crazy and Movie Gallery outlets in the U.S. and Canada.

John Maciel was named the Company's Interim CFO in March 2015. Mr. Maciel is a Managing Director with Alvarez & Marsal in San Francisco, and specializes in business plan development, organizational strategies, operational and financial control planning, and accounting for complex transactions. Prior to that, Mr. Maciel operated his own consulting firm for 11 years, providing accounting, financial planning and management consulting services. Before that, he spent six years as a manager in the audit and turnaround practices of a Big Four firm in San Francisco. Mr. Maciel earned a bachelor's degree in business administration from the University of California at Berkeley. He is a Certified Public Accountant (Inactive).

Rick Bunka has been serving Nebraska Book Company in a consultative capacity since June 2016 and will succeed Ben Riggsby as CEO and President pending the successful completion of the company's exchange offer. Mr. Bunka is the founder and President of Point North, LLC, a financial advisory services firm that specializes in turnaround consulting and operational restructuring. Prior to founding Point North, Mr. Bunka was President and Chief Executive Officer of Dots - a women's specialty retail apparel chain that operated 420 stores in 28 states and employed over 4,000 associates. At Dots, Mr. Bunka served as Chief Financial Officer from 1997 to 2006, President from 2006 to 2010 and ultimately Chief Executive Officer from 2010 to 2011. From 1987 to 1996, Mr. Bunka was Chief Financial Officer of Gantos, Inc. From 1985 to 1988, Mr. Bunka was a Consulting Manager for Price Waterhouse. Mr. Bunka holds a Bachelor of Arts degree in Mathematics and Business Administration from Alma College and a Masters of Business Administration from Michigan State University.

Peter Reed has been a director of the Company since 2012. Mr. Reed is a Portfolio Manager and Partner at MAST Capital Management, LLC. Mr. Reed focuses on the Cable, Construction Materials, Media, Satellite, Telecommunications and Wireless sectors. Prior to joining MAST in 2004, Mr. Reed was an investment banking analyst at Brown, Gibbons, Lang & Company where he worked on mergers and acquisitions, in-court and out-of-court financial restructurings and debt and equity private placements for middle market companies.

Steven Clemente has been a director of the Company since 2015. Mr. Clemente is currently the President of Primrose Schools, a national family of accredited early education and care schools, where he leads internal operations for Primrose School Franchising Company and partners with the CEO on strategic growth initiatives. He has held this position since March 2016. From March 2015 to September 2015, Mr. Clemente served as President, Field and Stream, for Dick's Sporting Goods. Mr. Clemente served as CEO and President of the Company from August 2012 to February 2015, and prior to that as Senior Vice President of College Stores from 2010 to 2012. Mr. Clemente worked in the retail industry for 15 years at Target Corporation, most recently as Vice President of Store Operations. In that role, Mr. Clemente oversaw 82 retail locations, and his stores represented one of the Company's largest food regions where he provided complete lifestyle services for guests. Mr. Clemente's team was also instrumental in the development of Target's college market focus.

Justin Bonner has been a director of the Company since 2012. Mr. Bonner is a Senior Analyst, Investment Research at MAST Capital Management, LLC. Mr. Bonner focuses on the consumer discretionary sectors, including Gaming, Lodging, Leisure, Restaurants, and Retail. Prior to joining MAST in 2007, Mr. Bonner was an Associate Director at Babson Capital Management, an institutional money management firm.

Adam Kleinman has been a director of the Company since 2012. Mr. Kleinman is the Chief Operating Officer, General Counsel and Partner at MAST Capital Management, LLC. He has served as General Counsel of MAST since 2009, and he became a Partner and Chief Operating Officer in 2013. Prior to joining MAST in 2009, Mr. Kleinman was an Associate in the Banking and Leveraged Finance group at Bingham McCutchen LLP, where he represented leading financial institutions, hedge funds and corporate borrowers in a broad range of commercial financial transactions.

Benjamin Ng has been a director of the Company since 2012. Mr. Ng is a private investor and presently serves as a director and advisor to privately-held companies in the finance, education and real estate industries. Prior to that, Mr. Ng retired as board member and CFO of Tommy Hilfiger Corporation. Mr. Ng was also an investment banker at Goldman Sachs & Co.

Proposed Management Changes

It is anticipated that immediately following the closing of the exchange offer, the board of directors will pass a resolution expanding the size of the board from 6 members to 7 members. It is also anticipated that Steve Clemente will resign from the board immediately following the closing of the exchange, the board will elect Rick Bunka to fill the seat vacated by Mr. Clemente, and the board will elect Kenneth S. Grossman to fill the newly created board seat.

Kenneth S. Grossman is a private investor and presently serves as an independent director on the board of directors of Lehman Brothers Special Finance, Inc. Mr. Grossman served as a Director and President of Signature Group Holdings, Inc. (SGGH) and was also a member of the Company's Executive, Risk and Legal Committee. SGGH is the corporate successor to Fremont General Corporation, a sub-prime mortgage originator. Prior to joining SGGH, Mr. Grossman served as a Managing Director at Ramius, LLC, a multi-strategy fund. From 2006 to 2008, he oversaw distressed debt, derivatives sand special situations portfolios at Del Mar Asset Management, LP ("Del Mar"), a multi-strategy fund, where he also served on the Management Committee overseeing all firm operations and portfolios. Affiliates of Del Mar are shareholders of the Company and holders of existing notes. From late 1999 thru mid-2006 Mr. Grossman co-managed the distressed and credit portfolio for Alpine Associates LP, a risk arbitrage firm. Mr. Grossman has also been affiliated with Balfour Investors Inc. and The Recovery Group, LP, where he began managing and investing in special situation companies. Mr. Grossman began his career as an attorney with Shea & Gould, specializing in bankruptcy, creditor's rights and commercial litigation. Mr. Grossman is Director of the Canepa Short-Term High Yield Offshore Fund, SPC and the Canepa Short-Term High Yield Master Fund, SPC, of which Concise Capital Management, LP (Concise) is the investment manager. Concise is a holder of the existing notes. Mr. Grossman has also served on the boards of e-Lottery, Inc., Evercom Systems, Texas-New Mexico Power, Inc., T-Ink, Inc. and Roberts Consolidated Industries.

PRICE RANGE OF COMMON STOCK

Our stock is quoted on the OTC market, under the ticker symbol "NEEB". We have not declared dividends on our common stock and do not anticipate paying dividends on our common stock in the foreseeable future.

Our shares are thinly traded, with low average daily volume. This, coupled with a limited number of market makers, impairs the liquidity of our common stock, not only in the number of shares of common stock that can be bought and sold, but also through possible delays in the timing of transactions, and lower prices for our common stock that might otherwise prevail. This could make it difficult for an investor to sell shares of our common stock upon conversion of the new senior notes or to obtain a desired price.

Our common stock may be subject to the low-price security, or so called "penny stock," rules that impose additional sales practice requirements on broker-dealers who sell such securities. The securities Enforcement and Penny Stock Reform Act of 1990 require additional disclosure in connection with any trades involving a stock defined as a "penny stock" (generally defined as, according to recent regulations adopted by the U.S. Securities and Exchange Commission, any equity security that has a market price of less than $5.00 per share, subject to certain exceptions), including the delivery, prior to any penny stock transaction, of a disclosure schedule explaining the penny stock market and the risks associated therewith. Our stock is not a penny stock only because we are subject to an exception for issuers with revenues of at least $6 million for the past three years. The regulations governing low-priced or penny stocks sometimes may limit the ability of broker-dealers to sell the Company's common stock and thus, ultimately, the ability of investors to sell their securities in the secondary market. Prices for the Company's common stock will be determined in the marketplace and may be influenced by many factors, including the depth and liquidity of the market for the common stock, the Company's results of operations, what investors think of the Company and general economic and market conditions. Market fluctuations could have a material adverse impact on the trading of our shares.

The table below sets forth the range of high and low closing prices of our common stock as reported on the OTC market, for the last two years, the first quarter of fiscal 2017 and for the second quarter of fiscal 2017 through September 1, 2016.

	Nebraska Book Holdings, Inc. Common Stock	
	High	**Low**
Year Ended March 31, 2017		
Quarter Ended June 30, 2016	$1.40	$0.46
Quarter Ended September 30, 2016 (Through September 1, 2016)	$ 0.46	$ 0.08
	High	**Low**
Year Ended March 31, 2016		
Quarter Ended June 30, 2015	$4.25	$3.14
Quarter Ended September 30, 2015	3.10	1.75
Quarter Ended December 31, 2015	2.00	1.04
Quarter Ended March 31, 2016	1.40	1.00
	High	**Low**
Year Ended March 31, 2015		
Quarter Ended June 30, 2014	$7.40	$6.95
Quarter Ended September 30, 2014	6.95	5.20
Quarter Ended December 31, 2014	6.00	4.25
Quarter Ended March 31, 2015	5.45	3.40

As the foregoing are over-the-counter market quotations, they reflect inter-dealer prices, without retail markup, markdown, or commissions, and may not represent actual transactions. Due to an illiquid market and the lack of available current financial information for many of the periods shown above, the reported prices may not be reflective of actual fair value.

The company’s shares are held through DTC with the sole record holder being Cede & Co. as nominee.