

## Man With a Mission

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A “fancy remanufacturer” - that is how CEO, John Shegerian describes Electronic Recycler, Inc. Electronic Recyclers (ERI) is one of the largest private e-scrap operations in the U.S. and is a principal subcontractor to Recycle America, the subsidiary of Waste Management, Inc. (WMI: NYSE).

ERI deserves special mention as it is one of the private concerns mentioned in the previous “E-scrap” post (January 8, 2008) that is activity looking for investment dollars. The company is in expansion mode and is giving the larger, public waste management companies some serious competition as a consolidator of this highly fragmented industry.

Shegerian is a consummate cheerleader, appearing at a series of investor conferences and giving interviews about e-scrap to anyone with a microphone. E-scrap is a long way from FINANCIALAID.COM, which Shegerian co-founded in 2000 near the end of the dot-com craze. RATEYOURCAMPUS.COM, CAMPUSCLIX.COM and CAMPUSDIRT.COM are also his brain children.

At the recent Needham conference in New York City, appeared to be a man-on-a-mission, citing statistics of the hundreds of thousands of cell phones, computers and televisions that are headed toward landfills. The ERI web site is chock full of facts, some of which are unverified, but you get the picture. There are massive amounts of electronic junk with potential to leach toxic elements into land and water - chromium, mercury and lead just to name three of the worst. On the other hand, recycling recovers glass, metals and plastics for reuse.

Shegerian claims ERI is the number one e-scrap recycler in the U.S. and that a series of acquisitions will solidify the company’s national presence. According to Shegerian, WMI would rather contract with ERI than take their focus off landfill operations. The company is also counting on image-conscious electronics manufacturers to support recycling rather than have their logos and manufacturing tags showing up in toxic landfills.

However, a roll-up strategy requires financing. It seems logical that the public capital would be considered, even in the current tumultuous U.S. equity market. Watch for an IPO from ERI, but do not hold your breath. Shegerian and his co-founders opted to sell FINANCIALAID.COM to Education Lending Group in 2005.

*Just so you know only five states in the country prohibit dumping of electronic devices in landfills. Legislation is pending in thirty-five more. For individuals the National Recycling Coalition is a good place to get involved and begin a personal commitment to responsible consumption.*

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