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HAVE

OFF!

As the vessel pulled alongside the dock, the entire team was there waiting to see PST successfully achieve the discharge of these massive generators. Within hours the lashings had been removed, the slings installed, and the first of the two pieces was hoisted by the two vessel cranes. For PST, it was just another day on the terminal. For the rest of us, it was poetry in motion to see this record-breaking cargo, part of a \$691 million upgrade that will allow the San Onofre plant to operate for decades, so gracefully rise up and come to rest safely on the waiting barge. Mark Malzahn, a senior executive for Southern California Edison, reports, "I could not have been more pleased with how professional and smoothly the operation went." And there was more to come...

(Story continued inside)

Bigger than a Breadbox

(continued from front page)

Pasha Stevedoring & Terminals (PST) continues to exceed all expectations in the Port of Los Angeles with its talented team. PST, as the recent stevedore of choice for a discharge off the M.V. Shanghai, (a jumbo vessel with colossal 320 metric-ton capacity cranes), had a very short window to pull all of their resources together to accommodate the needs of their customer. Over 154 pieces of project cargo, weighing 1,800 metric tons, which varied from windmill towers, and steel framed machinery to transformers, needed to discharge to three different trucking companies. Coordination is key whenever cargo is discharged direct to a truck/trailer, and when you multiply that by three, experience, intelligent preplanning and a high degree of communication is crucial.



Each trucking company needs to know exactly when their pieces are going to be discharged, as specific road permits are granted with specific time frames, and are the decisive factor in planning an orderly process. The huge windmill towers, ranging from 55 feet to 75 feet (and a combined weight of 153 metric tons) were on deck and the first to be lifted off. The heaviest piece to offload was the 122 metric ton transformer to the second truck/trailer and finally a 45-foot tank to the third company.

Due to the various sizes and weights of the remaining cargo, cases of steel-framed machinery, PST's stevedoring skills were again put to the test. Using UTR power units, and Mafi terminal trailers, some cargo was drayed, while PST's big 44-metric ton Kalmar Heavy Lifts with 12-foot extension blades really came in handy. Overall, gear changes were kept to a minimum and one of the most challenging vessels was finished on schedule.

Charting the Course

Leadership and Legacy

At Pasha, we agonize to differentiate ourselves from our competitors. Our strategic advantage in today's marketplace remains our strict adherence to, and celebration of, our legacy of family values. This year marks our 63rd official year of doing business. It also marks the 50th anniversary of credited service of our Chairman and my Dad. He has often grumbled that he never receives recognition at our annual employee service. This year, we finally relented and celebrated a remarkable milestone with him, together with our headquarter employees and our immediate family members.

For the last 50 years the guidance of our Chairman and second generation leader, George Pasha, III, has given us the ability to adapt and respond in a dynamic environment. Adhering to the principles established by his father (my grandfather), his leadership and mentoring created the organization I have the privilege to manage today and provided the fundamentals for both our past and future success.

Thanks, Dad, for your dedication, hard work and inspiration, which has created opportunities for the third generation of Pashas and all of the employees we call our family.

Coincidentally, 2010 marks a 25-year milestone for me, a 20-year achievement for my brother, Michael, and 15 years for the youngest of the 'Pasha Five,' John Pasha. We are very fortunate to have the chance to call Pasha our professional home and pledge to do our best not to undo a good thing! Ranging from five years of service to 50 years, 91 team members are recognized this year, with a cumulative total of 985 years! This displays a wealth of historical knowledge, along with new ideas and abilities that create balance and an organizational strength that can't be matched.

With our own combined 115 years of service to our company, my father, brothers, and I stand for continuity and for relationships that last. We continue to search for new services and new places to deliver them. From its roots in a gas station in San Francisco, today The Pasha Group is a company with an ever-expanding global presence in a fast-paced world.



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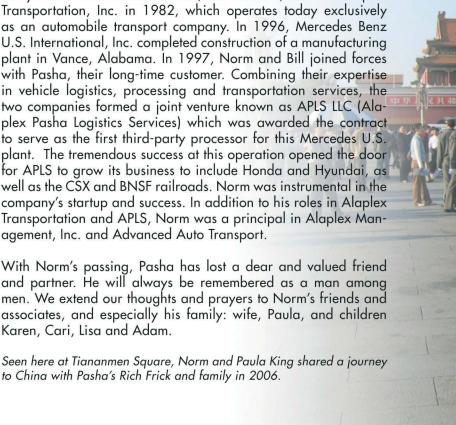
Our name stands behind every move™

IN MEMORIAM

Norman King, a bear of a man with a giant laugh, a heart of gold, and an inordinate love of Hawaiian shirts, has passed away. Norm and his close friend, Bill Emanuel, founded Alaplex Transportation, Inc. in 1982, which operates today exclusively as an automobile transport company. In 1996, Mercedes Benz U.S. International, Inc. completed construction of a manufacturing plant in Vance, Alabama. In 1997, Norm and Bill joined forces with Pasha, their long-time customer. Combining their expertise in vehicle logistics, processing and transportation services, the two companies formed a joint venture known as APLS LLC (Alaplex Pasha Logistics Services) which was awarded the contract to serve as the first third-party processor for this Mercedes U.S. plant. The tremendous success at this operation opened the door for APLS to grow its business to include Honda and Hyundai, as well as the CSX and BNSF railroads. Norm was instrumental in the company's startup and success. In addition to his roles in Alaplex Transportation and APLS, Norm was a principal in Alaplex Management, Inc. and Advanced Auto Transport.

With Norm's passing, Pasha has lost a dear and valued friend and partner. He will always be remembered as a man among men. We extend our thoughts and prayers to Norm's friends and associates, and especially his family: wife, Paula, and children Karen, Cari, Lisa and Adam.

Seen here at Tiananmen Square, Norm and Paula King shared a journey







Winds of Change

As the economy continues to travel on its unprecedented path of uncertainty, we continue to navigate uncharted waters. We did what we had to do in 2009, trimming back where necessary, while still keeping a critical eye on the needs of our customers. This is serving us well in 2010, although our view of the industry in the future remains unclear. The headwinds created by high unemployment and muted economic growth will remain challenging. One of our strongest assets is still our diversity, backed by an extremely talented management team who accept all the challenges thrown at them with tenacity and grace under pressure. As we continue to apply a disciplined approach to managing our business, we appreciate the trust our employees put in us and their belief that we are doing the right things individually and for the company.

George W. Pasha, IV, President and CEO

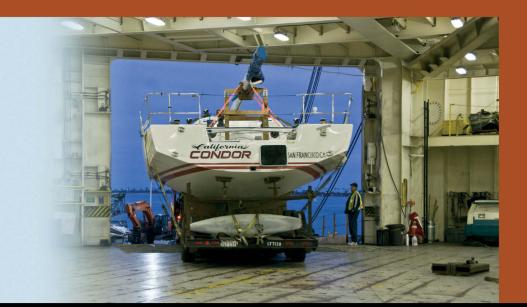
the event.



The Pacific Cup

Taking place every other year, alternating with the biannual Transpac from Los Angeles to Hawaii, the Pacific Cup is a low-key, fun race to Hawaii for fully-crewed boats leaving from the San Francisco Bay Area. The Jean Anne, Pasha Hawaii's roll-on/roll-off vessel, is particularly suited to providing a comfortable ride home for boats participating in both races, as well as eliminating exposure to the elements, 2010 being no exception.

Choosing the easy way home were the youngest pair in memory to complete the Pac Cup (two 21 year-old college boys) on the 27' Further, and a couple from our own backyard in Corte Madera, who shipped back the 30' Trunk Monkey. Joining them were Pocket Rocket, Prankster, Poco Loco, Friction Loss and the beautiful 40' California Condor. Each boat is a winner in its own way, and it's always a delight to see their sleek lines on board the Jean Anne.



20 Years and 4,000,000 Cars Later

1990 American Isuzu Motors, Inc.
1994 Volkswagen of America, Inc.
1996 Mitsubishi Fuso Truck of America, Inc.
1997 American Honda Motors, Inc.
1998 Hino Diesel Trucks of America, Inc.
1999 Ford Motor Company
2000 Porsche Cars North America
2003 Lotus Cars USA
2003 Bentley Motors Incorporated
2004 Lamborghini
2004 General Motors
2005 Pasha Hawaii
2005 Sterling Motors, Inc.
2006 Mazda North America Operations
2008 Chrysler LLC - Exports

It was August of 1990 when The Pasha Group teamed with the Port of San Diego and opened the gates of the National City Marine Terminal, staffing it with a pioneering group of 30 employees. This waterfront property had been idle for 12 years, but boasted 38 acres, two warehouses and a deepwater berth. It looked ideal for Pasha's plan to open a long-term import automobile terminal. An anticipated 40,000 units were expected to cross the dock in the first year of operation.

Four million vehicles and 20 years later, the terminal is almost unrecognizable today, and we have much to celebrate. As a recognized prime import and export location for automobiles, the Pasha Automotive Services facility hums with activity as more than 150 full-time employees are assigned to 175 acres of land and over eight acres of covered buildings. Post-production facilities are equipped with cutting-edge technology. Factory-trained personnel perform certified mechanical work, paintless dent repair, and standard body and paint repair, working in cooperation with manufacturers' quality assurance teams to see that every vehicle is delivered 'showroom ready.' Driven to meet our customers' needs, Pasha's "TRUE Ops" team, dedicated to Lean Manufacturing initiatives, defines our management and operational practices: Timely, Reliable, Uniform and Eco-Sensitive. TRUE Ops is a culture of hard work, attention to detail and continuous improvement.

A recipient of the World Trade Center San Diego's Importer of the Year award, Pasha also partnered with Burlington Northern Santa Fe Railroad. They constructed a \$25 million facility on the property to create the railroad infrastructure enabling a landbridge transportation vision. There are now 120 railcar positions, plus a 60 railcar storage balloon track, and an AAR acclaimed rail crew.

Pasha Hawaii is proud to call the NCMT the home port of Jean Anne, who calls on one of the port's five berths fortnightly. Sailing on the Jean Anne are all Hawaii-bound Chrysler vehicles, safely delivered to the terminal by Pasha Distribution Services' new fleet of auto transporters. Pasha Stevedoring & Terminals and Pasha Freight Services also add their expertise to the roster of services available at this strategically placed port facility.

The Pasha Group has a unique ability to envision a new service and/or location to better support the automotive industry needs. Pasha's goal to provide the greatest level of service to automotive customers is demonstrated by the quality of San Diego's unified team of labor, port facilities, service providers and truck and rail transportation companies. This ground-breaking facility is the model for all Pasha's coastal port automotive terminals. Our National City operation is a vital part of the company's organization, and San Diego is a vital link to the rest of the United States and global markets. Strengthening and expanding our automotive service offerings is much more than a vision today. Our partnership with the Port keeps us on an ongoing track to success.

With thanks to our loyal customers who have brought us so successfully to this 20 year mark.



Pasha Hawaii Receives Prestigious Safety Award

Pasha Hawaii has received recognition from the US Coast Guard (USCG) and the Chamber of Shipping of America (CSA) for its record of safety. The CSA presented Pasha Hawaii with the 2009 Jones F. Devlin Award at the chamber's recent Annual Ship Safety Awards luncheon, which recognizes the women and men responsible for safe ship operations.

Glovis America, Inc. (Hyundai/Kia)

2009 Toyota (Toyota Logistics Services)

At the event held in early June, Pasha Hawaii received the award for safety presented by the CSA for vessels with consecutive years without incident. Self-propelled merchant vessels that have operated for two full years or more without a seafarer involved in a lost-time injury are eligible for the Jones F. Devlin Award. Three levels of achievement are recognized: a basic two-year award, a three-year award, and a four-year award. The Jean Anne has achieved the three-year level.

On hand to receive the Devlin Award, and representing Pasha Hawaii, were Captain Greg Johnson, Master of the *M/V Jean Anne*, and Chief Engineer Mats Holmquist.

George Pasha, IV, Chief Executive Officer of Pasha Hawaii, comments, "We are particularly proud of our safety record, especially since taking over the technical operations in January 2009. The key to our success is continuity of leadership, which is made possible by the concerted efforts of Ulrich Pienka, who as Technical Director is responsible for the day-to-day running of our ship; our two Captains, Greg Johnson and Steve Bond; and our very able crew."

Joseph Cox, CSA president, said: "We have been holding these annual award ceremonies since 1950. For that initial year, we honored six vessels having a total of 12 years operation with no lost-time incidents. This year, we gave awards to 1,094 vessels that operated 7,108 years without a lost-time incident. This extraordinary record is directly attributable to the professionalism of our seafarers and the dedication of shore-based company personnel to safe operation."

CSA represents 33 US-based companies that own, operate or charter oceangoing tankers, container ships, and other merchant vessels engaged in both the domestic and international trades and other entities that maintain a commercial interest in the approximately approxim

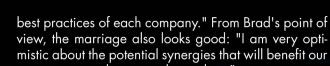


Pictured are Mike Bolman (CSA Chairman of the Board, Jean Anne Chief Engineer Mats Holmquist, Captain Greg Johnson, Coast Guard Rear Admiral Mary Landry, Commander, Eighth Coast Guard District in New Orleans

Exotic Auto Trucking in Lebanon, Missouri is the latest venture to join the growing list of Pasha-affiliated companies. Jointly owned by Pasha Distribution Services LLC (PDS) and Exotic's Brad Segebarth, the company is no stranger to PDS. John Kreisler, PDS Senior Vice President, and Brad have worked together for years in the auto trucking industry. When John was seeking a capable service provider, he knew that Exotic had both the equipment and expertise to get the job done.

Exotic's business model is slightly different than PDS in that it is built entirely around owner/operators, as opposed to the PDS mix of owner/operators and company drivers. As a bonus, Exotic's customer base and hauling patterns allow for personally-owned vehicle backhauls that fit well with PDS and our existing POV program.

As the business relationship develops, both Brad and John see the value of combining forces to maximize the potential of the combined fleets. John notes, "PDS is excited by the opportunity to grow our business. Brad and his team greatly enhance our ability to achieve that goal. Moving forward, we plan to build on the business model that Brad has created to capitalize on the capacity of the combined fleet, utilizing the





Pasha Hawaii's 579-foot roll-on/roll-off vessel, the Jean Anne, enjoys her role as an "extra" when it comes to providing transportation to Hawaii. Since inception of service to the Islands in 2005, she has carried multiple types of support equipment for television and film productions, and other entertainment venues. Portable power generators, convenience trailers, such as dressing rooms, food and camera trucks (and even honey wagons), and specialized elevated boom trucks, wide-angle picture and spider cameras have all played a part in the cargo shipped on the Jean Anne. For the annual SONY Open, Pasha has been a proud sponsor, as well as a transportation provider for the trucks, trailers and cameras that are needed to support

Giving Jean Anne a starring role this year are two major film productions. Disney's Pirates of the Caribbean: On Stranger Tides and Universal Studio's Battleship. Based on the Hasbro game, Battleship has an international five-ship fleet on a mission to build a power source in the ocean, where they come in contact with a navy fleet. For these productions, Jean Anne carries the camera boats, support boats and dive trailers required for filming the water scenes. Adjustable and fully-enclosed decks allow Pasha to transport equipment of unusual sizes and shapes, Battleship's large volume grip and lighting trailers, which can approach 70 feet in length and weigh up to 60,000 lbs., are accommodated by Jean Anne's 120-ton capacity stern loading ramp



An Exotic Acquisition

As these projects progress and new film opportunities occur in Hawaii, Pasha Hawaii and Jean Anne look forward to playing an integral part in the transportation logistics of the industry. The Jean Anne's ability to accommodate the needs of film production doesn't start and end with pure technology. Pasha Hawaii also understands that filmmaking is essentially a human construct, and the film industry is a very welcome addition to the Hawaiian economy. By creating new worlds in the tropical paradise that already exists in Hawaii, the industry is also creating new jobs. Pasha offers end-to-end user solutions for the film community, and in turn is developing long term relationships with this flourishing segment of the Hawaiian economy.

