

**IN THE UNITED STATES DISTRICT COURT FOR
THE NORTHERN DISTRICT OF OKLAHOMA**

In Re: NESCO, INC. SECURITIES LITIGATION

This Document Relates To:
All Actions

Master File
No. 4:01-CV-0827 H(C)

**NOTICE OF PENDENCY OF CLASS ACTION,
PROPOSED SETTLEMENT, AND SETTLEMENT HEARING**

TO: ALL PERSONS AND ENTITIES WHO PURCHASED THE COMMON STOCK OF NESCO, INC. ("NESCO") DURING THE PERIOD FROM APRIL 26, 2000 THROUGH AUGUST 16, 2001, INCLUSIVE, (THE "CLASS PERIOD"), OR WHO PURCHASED NESCO STOCK PURSUANT TO NESCO'S PRIVATE PLACEMENT MEMORANDUM DATED MAY 14, 2001, EXCLUDING DEFENDANTS; NESCO'S CURRENT AND FORMER EXECUTIVE OFFICERS AND DIRECTORS; THE MEMBERS OF THE IMMEDIATE FAMILIES OF EACH INDIVIDUAL DEFENDANT OR EXECUTIVE OFFICER OR DIRECTOR OF NESCO; ANY SUBSIDIARY OR AFFILIATE OF ANY DEFENDANT OR NESCO; ANY ENTITY IN WHICH ANY DEFENDANT OR NESCO HAS A CONTROLLING INTEREST; AND THE LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS, PREDECESSORS IN INTEREST, AFFILIATES, OR ASSIGNS OF ANY EXCLUDED PARTY; AND MR. DALLIN BAGLEY.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS WILL BE AFFECTED BY PROCEEDINGS IN THIS ACTION. IF YOU ARE A CLASS MEMBER, YOU MAY BE ENTITLED TO RECEIVE BENEFITS PURSUANT TO THE PROPOSED SETTLEMENT DESCRIBED HEREIN.

CLAIMS DEADLINE: CLAIMANTS MUST SUBMIT PROOF OF CLAIMS, ON THE FORM ACCOMPANYING THIS NOTICE, POSTMARKED ON OR BEFORE NOVEMBER 28, 2003.

PURPOSE OF NOTICE

This Notice is given pursuant to Rule 23 of the Federal Rules of Civil Procedure, and an Order of the United States District Court for the Northern District of Oklahoma (the "Court"). The purpose of this Notice is to inform you of a proposed Settlement of the Action as described below. This Notice describes rights you may have under the proposed Settlement and what steps you may take in relation to the Action. This Notice is not an expression of any opinion by the Court as to the merits of any of the claims or defenses asserted by any party in this litigation, or the fairness or adequacy of the proposed Settlement.

SUMMARY OF THE SETTLEMENT

A. Recovery to the Settlement Class

The Settlement creates a fund in the amount of \$1,050,000.00 in cash and will include interest that accrues on the fund prior to distribution (the "Settlement Fund"). Based on Plaintiffs' estimate of the number of shares entitled to participate in the Settlement and the anticipated number of claims to be submitted by Class Members, the distribution would be \$0.58 per retained share before deduction of Court-approved attorneys' Fees and Expenses. However, your actual recovery from this fund will depend on a number of variables, including the number of claimants, the number of shares you purchased, the expense of the process of administering the claims, and the timing of your purchases and sales, if any.

B. Statement of Potential Outcome

Plaintiffs and Defendants do not agree on the average amount of damages per share that would be recoverable if Plaintiffs were to have prevailed on each claim asserted. The issue on which the parties disagree include, among others: (1) whether the statements made or facts allegedly omitted by Defendants were false, material, or otherwise actionable under the federal securities laws; (2) the appropriate economic model for determining the amount by which the price of Nesco common stock was allegedly artificially inflated (if at all) during the Class Period; (3) whether Plaintiffs could establish the amount of damages pursuant to an economically acceptable methodology; and (4) the amount by which the price of Nesco common stock was allegedly artificially inflated (if at all) during the Class Period.

C. Attorney's Fees and Costs Sought

Plaintiffs' Counsel have not received any payment for their services in prosecuting the Action on behalf of Plaintiffs and the Class Members, nor have they been reimbursed for their out-of-pocket expenditures. If the Settlement is approved by the Court, Lead Counsel for Plaintiffs will apply to the Court for attorneys' Fees of up to one third (33%) of the Settlement Fund and reimbursement of out-of-pocket Expenses up to the approximate amount of \$75,000 with interest thereon, to be paid from the Settlement Fund. If the amount of attorneys' Fees and Expenses requested by counsel is approved by the Court, the average cost per retained share would be approximately \$0.23. The average cost per share could vary, depending on the number of shares for which claims are filed.

D. Reasons for Settlement

Counsel for Plaintiffs believe that the Settlement is fair and reasonable, is an excellent recovery, and is in the best interests of the Class. Because of the risks associated with continuing to litigate and proceeding to trial, there was a danger that Plaintiffs would not have prevailed on any of their claims, in which case the Class would receive nothing. In addition to denying any and all liability to the Class, the amount of damages recoverable by the Class was, and is, challenged by Defendants. Recoverable damages in this case are limited to losses caused by conduct actionable under applicable law, and, had the Action gone to trial, Defendants intended to assert that none of the losses were caused by fraud.

While Defendants deny all charges of wrongdoing, they have agreed to settle the Action on the basis proposed in order to put to rest all further controversy and to avoid substantial expenses and the inconvenience and distraction of burdensome and protracted litigation.

E. Identification of Lawyers' Representatives

Any questions regarding the Settlement should be directed in writing to the following Plaintiffs' Counsel:

Lead Counsel for Plaintiffs and the Class:

Sherrie R. Savett, Esq.
Michael T. Fantini, Esq.
Berger & Montague, P.C.
1622 Locust St.
Philadelphia, PA 19103
(215) 875-3000

Liaison Counsel for Plaintiffs and the Class:

William B. Federman, Esq.
Federman & Sherwood
120 N. Robinson Ave., Suite 2720
Oklahoma City, OK 73102
(405) 235-1560

NOTICE OF THE SETTLEMENT HEARING

A hearing (the "Final Approval Hearing") will be held before the Honorable Sven Erik Holmes, United States District Judge, United States District Court for the Northern District of Oklahoma, on October 28, 2003 at 2:30 p.m. at the United States Courthouse, Room 411, 333 W. 4th Street, Tulsa, Oklahoma 74103, for the purposes of determining: (1) whether the proposed Settlement of the claims in the litigation for \$1,050,000 in cash is fair, reasonable, and adequate, and whether it should be approved by the Court; (2) whether the Plan of Allocation for the distribution of the Net Settlement Fund should be approved as fair and reasonable; (3) whether Lead Counsel's application for an award of attorneys' Fees and reimbursement of Expenses should be approved; (4) whether judgment should be entered dismissing the Action with prejudice; and (5) whether the releases of the Defendants by the Settlement Class should be approved. The Final Approval Hearing may be adjourned from time to time by the Court at the Final Approval Hearing or any adjourned session thereof without further notice.

DESCRIPTION OF THE ACTION

Beginning on November 6, 2002, several securities class actions were filed in the United States District Court for the Northern District of Oklahoma against defendants Eddy L. Patterson, Chief Executive Officer and Chairman of the Board of Directors of Nesco, James Howell, President of Nesco, and Larry Johnson, Chief Financial Officer of Nesco (the "Individual Defendants"). These class actions were brought on behalf of all persons who purchased the common stock of Nesco during the period April 26, 2000 through August 16, 2001, inclusive, to recover damages allegedly caused by Defendants' alleged violations of the federal securities laws. These lawsuits alleged that the Individual Defendants violated §§10(b) and 20(a) of the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. §§78(b), 78(a), as well as Rule 10b-5 promulgated thereunder by the United States Securities and Exchange Commission (the "SEC").

By Order dated March 4, 2002, the United States District Court for the Northern District of Oklahoma (the "District Court") consolidated the pending federal securities actions into this Action, and appointed Ronald Nicol, Colin Nicol and William & Marjorie Groszkruiger as lead plaintiffs ("Lead Plaintiffs"), and approved Lead Plaintiffs' selection of Berger & Montague, P.C. as Lead Counsel for Lead Plaintiffs.

On April 22, 2002, Lead Plaintiffs filed a Consolidated Amended Class Action Complaint (the "Complaint") in the Action on behalf of a class consisting of all persons and entities who purchased Nesco common stock during the period commencing April 26, 2000 through August 16, 2001, inclusive, (the "Class Period"), and all persons who purchased Nesco stock pursuant to Nesco's Private Placement Memorandum dated May 14, 2001. The Complaint superseded all complaints previously filed. The Complaint asserts claims against the Individual Defendants and Defendant Tullius Taylor Sartain & Sartain LLP ("Tullius Taylor"), Nesco's auditor who audited Nesco's year-end 2000 financial results and who issued a clean audit opinion for those results, (collectively, the "Defendants"). As alleged in the Complaint, Nesco is an Oklahoma corporation, engaged in the business of providing installation of fueling systems, equipment, maintenance and services to the owners and operators of fueling facilities. During the Class Period, Defendants engaged in a fraudulent scheme that served to substantially overstate Nesco's revenues and earnings for the year 2000, and which had the effect of inflating the price of Nesco's common stock throughout the Class Period. More specifically, at the direction of Defendant Eddy Patterson, the Company's Chairman of the Board and Chief Executive Officer, Nesco employees were instructed to create fictitious or inflated invoices for customers. After creating these invoices, the Company then booked the fictitious or inflated amounts as revenue on services that were not performed, thereby substantially overstating the Company's revenues and earnings for the periods in question. This improper practice was in violation of the Company's own formal revenue recognition policy and in violation of Generally Accepted Accounting Principles ("GAAP"). At the close of the Class Period, on August 16, 2001, the Company announced that it needed to restate its revenues for the year 2000 to adjust for \$3.65 million in overbooked sales. Nesco also restated its earnings for the year 2000 to \$588,000, or 6 cents a share, from the previously-reported

\$2.85 million, or 31 cents per share. On August 16, 2001, the Company further announced that Defendants Patterson and Howell had resigned their positions at the Company. Defendant Johnson's employment also was terminated shortly thereafter, in October 2001. As a result of these disclosures, trading in Nesco's stock was halted on August 17, 2001, before the market opened. Nesco's stock price was \$1.35 per share when trading stopped. On November 26, 2001, Nesco filed a voluntary bankruptcy petition under Chapter 11 of the federal Bankruptcy Code in the United States Bankruptcy Court for the Northern District of Oklahoma. Finally, both the SEC and NASDAQ initiated inquiries of Nesco in connection with its reporting of false financial statements.

The Individual Defendants each answered the Complaint, and filed cross-claims against Defendant Tullius Taylor. Defendant Tullius Taylor also filed cross-claims against them. On June 14, 2002, Defendant Tullius Taylor filed a motion to dismiss the Complaint, asserting that the allegations in the Complaint failed to adequately allege Tullius Taylor's scienter. The Court denied Tullius Taylor's motion by Order dated February 18, 2003.

On December 4, 2002, Royal Indemnity filed a complaint against Nesco, Eddy L. Patterson, James Howell, and Larry Johnson seeking declaratory judgment that its Directors' and Officers' Liability Policy, providing insurance for these individuals, should be rescinded based upon the individuals allegedly providing Royal false information during the insurance application process. Royal's action, if successful, would directly impact a source of recovery for Plaintiffs in this Action.

By Order dated December 17, 2002, the Court certified a class against the Individual Defendants consisting of all persons or entities who purchased and/or acquired Nesco common stock during the period of November 3, 2000 through August 16, 2001, inclusive, and who were damaged thereby. The Court also certified a subclass as against Defendant Tullius Taylor consisting of all persons or entities who purchased and/or acquired Nesco common stock during the period April 2, 2001 through August 16, 2001, inclusive, and who were damaged thereby. At the hearing on class certification, the Court suggested that it was shortening Plaintiffs' proposed class period because the Court did not believe that Plaintiffs' allegations set forth in the Complaint established a basis for fraud claims during the earlier period of time, prior to November 3, 2000.

On January 2, 2003, pursuant to Fed.R.Civ.P. 23(f), Plaintiffs filed a petition to appeal the Court's Order on class certification with the United States Court of Appeals for the Tenth Circuit, arguing that the District Court erroneously made findings on the merits when limiting Plaintiffs' proposed class period. On January 28, 2003, the United States Court of Appeals for the Tenth Circuit granted Plaintiffs' petition, thus permitting Plaintiffs to file an appeal.

In or about January 2003, Plaintiffs and Defendants commenced negotiations concerning a potential settlement of the Action. A settlement conference was held with Magistrate Judge Frank H. McCarthy of the District Court on February 25, 2003, but the Action was not resolved at that time. As prompted by Plaintiff's petition to the Tenth Circuit to appeal the District Court's Order on class certification, the parties mediated their dispute before David W. Aemmer, Chief Circuit Mediator of the United States Court of Appeals for the Tenth Circuit, during the period from March 2003 through July 2003. Through this ongoing mediation, the parties agreed to settle this Action.

Prior to entering into the Stipulation, Lead Counsel conducted a thorough investigation and analysis of the facts and the law relating to the matters at issue in the Action, including: conducting interviews with various former employees of Nesco concerning Defendants' falsification of customer invoices and accounting manipulations; inspecting and analyzing analyst reports, newspaper articles, public filings, press releases, and other public statements by and about Nesco; reviewing and analyzing initial disclosure statements, documents, and interrogatory responses produced by Defendants; reviewing the accounting work papers of Defendant Tullius Taylor; reviewing documents and computer files of some former Nesco employees produced by Nesco; and obtaining a damage analysis from Lead Counsel's damages expert concerning issues of materiality, causation and the amount of damages sustained by the Class. Lead Counsel has considered carefully the likelihood of success against the Defendants and the likely total damages which could be recovered against the Defendants; has considered the likelihood of obtaining any recovery given the fact that the Insurer of the Individual Defendants has filed an action for declaratory judgment seeking to rescind its Directors' and Officers' Liability Insurance Policy covering the Individual Defendants; has conducted extensive arms' length settlement negotiations with counsel for Defendants; and has determined, after taking into account the substantial benefits conferred on the Class by the Settlement, that

the Settlement is fair, reasonable, and adequate, and in the best interests of the Class.

Defendants deny any wrongdoing in connection with the claims alleged in the Action, but, nevertheless, without acknowledging in any way any fault, wrongdoing or liability whatsoever, have concluded that further defense of the Action would be protracted, burdensome, and expensive, and therefore are willing to enter into the Settlement in order to eliminate the controversies and to avoid further expense and inconvenience.

THE PROPOSED SETTLEMENT AND PLAN OF ALLOCATION

The following description of the proposed Settlement is only a summary, and reference is made to the text of the Stipulation, on file with the Court, for a full statement of its provisions.

1. The Settlement Fund consists of \$1,050,000.00 in cash, plus interest thereon, which has been deposited into an Escrow Account. The Settlement Fund remaining after distributions therefrom for taxes, notice costs, administrative expenses, counsel Fees and related Expenses (the "Net Settlement Fund") shall be distributed to Class members who submit valid, timely Proofs of Claims ("Authorized Claimants") in accordance with the Plan of Allocation, described below.

2. Plan of Allocation

a. The Net Settlement Fund shall be allocated among the Authorized Claimants in accordance with this Plan of Allocation. The Plan of Allocation is based upon Lead Counsel's assessment of the merits and the relative strengths and weaknesses, including recoverable damages, of the claims of the members of the Class.

b. Each Authorized Claimant shall receive, on a pro rata basis, that share of the Net Settlement Fund that the Authorized Claimant's Recognized Loss (as defined below) bears to the total Recognized Losses of all Authorized Claimants, subject to the further provisions of this Plan of Allocation set forth below.

c. An Authorized Claimant's recognized loss ("Recognized Loss") shall be determined as follows:

(i) For shares of Nesco's stock purchased between April 26, 2000 and August 16, 2001, inclusive, and sold between April 26, 2000 through August 16, 2001, inclusive, Recognized Losses shall be computed as ten percent (10%) of the lower of: (i) \$1.35 per share (explained below) or (ii) the difference between the purchase price and the sale price of Nesco's stock (both exclusive of commissions and fees), provided that if this difference is a negative number (meaning that the Authorized Claimant made a profit on the sale), then the Recognized Loss for these shares shall be zero, and such profits will be offset against any losses, if any, on other transactions in Nesco's stock purchased and sold during the Class Period, as provided for in subparagraph (iv) below.

(ii) For shares of Nesco's stock purchased between April 26, 2000 and November 2, 2000, inclusive, (i.e., during the period not certified by the Court as a class action as explained above), and held after the close of business on August 16, 2001, Recognized Losses shall be computed as \$0.34 per share — representing 25% of the \$1.35 closing price of Nesco's stock on August 16, 2001, prior to the trading halt.

(iii) For shares of Nesco's stock purchased during the Class Period certified by the Court (i.e., between November 3, 2000 and August 16, 2001, inclusive), and held after the close of business on August 16, 2001, Recognized Losses shall be computed as the lower of (i) the purchase price or (ii) \$1.35 per share — the closing price of Nesco's stock on August 16, 2001, prior to the trading halt.

(iv) To the extent that any shares of Nesco's stock sold during the Class Period were sold at a profit, computed pursuant to subparagraph (d) below, these profits will be offset against any losses on other purchase and sale transactions during the Class Period in Nesco's stock prior to computing the Recognized Losses (including any applicable weight factors), if any, on the remaining shares of Nesco's stock purchased in the Class Period.

d. For purposes of determining which shares of Nesco's stock purchased during the Class Period were: (i) sold at a profit at any time during the Class Period, (ii) sold at a loss at any time during the Class Period, or (iii) were retained past August 16, 2001, all sales of Nesco's stock shall be matched on a "first-in, first-out" ("FIFO") basis, by first matching the shares sold against any opening position of Nesco's stock held as of April 25, 2000 (prior to the start of the Class Period), and any sales matched against any shares held prior to the start of the Class Period will

be ignored for computing Recognized Losses or offsetting profits. This matching under FIFO shall be done irrespective of the different accounts in which the Nesco's stock were purchased and sold unless the title or ownership of the accounts differed.

e. The date of purchase or sale is the "contract" or "trade" date as distinguished from the "settlement date." For shares of stock acquired pursuant to Nesco's Private Placement Memorandum, the purchase date is May 14, 2001 — the date of that Memorandum.

f. "Short" sales of Nesco's stock shall not be recognized for any amount of loss on the cover, purchase or closing transaction and no Recognized Loss will be computed for any such covering purchase or closing transaction.

g. No Recognized Loss will be computed for any transactions in Nesco's stock engaged in by market makers in Nesco's stock.

3. In the interest of economy, no payment shall be made to any Authorized Claimant whose Payable Claim would be less than \$10 based on the initial allocation of the Net Settlement Fund to Authorized Claimants.

4. The receipt or grant of a gift of Nesco's stock during the Class Period shall not be deemed to be a purchase of Nesco's stock during the Class Period. However, the recipient of Nesco's stock as a gift or as a distribution from an estate shall be eligible to file a Proof of Claim and Release form and participate in the Settlement to the extent the particular donor or decedent as the actual purchaser of Nesco's stock would have been eligible, based upon the circumstances of such purchase within the Class Period; however, the donee and donor may not both claim with regard to the same Nesco's stock. If both the donor and donee make such a claim, only the claim filed by the donee will be honored.

5. Nothing in this Plan of Allocation shall constitute or be deemed an admission by any of the Defendants that there is liability or damage of any kind or that the dollar amounts set forth in this Plan of Allocation reflect actual or potential damages to the Class.

6. Each person claiming to be an Authorized Claimant shall be required to submit the accompanying Proof of Claim that includes a release of Defendants and other Releasees from all Released Claims, signed under penalty of perjury and supported by such documents as specified in the Proof of Claim as are reasonably available to the Authorized Claimant.

7. No person shall have any claim against Lead Counsel, the Settlement Administrator or other agent designated by Lead Counsel based on the distribution made substantially in accordance with the Stipulation and the Settlement, the Plan of Allocation, or further orders of the Court. No person shall have any claim against any Defendant, Defendants' counsel, or any of their agents, based on the oversight, administration and/or distribution of settlement proceeds. All Class Members who fail to complete and file a valid and timely Proof of Claim shall be barred from participating in distributions from the Net Settlement Proceeds (unless otherwise ordered by the Court), but otherwise shall be bound by all of the terms of the Stipulation, including the terms of the judgment entered and releases given.

8. Upon approval of the Settlement by the Court and entry of a judgment that becomes a final judgment and upon satisfaction of the other conditions to the Settlement, described below, the Settlement Fund will be distributed under the Court's direction and supervision as follows:

(a) to pay all unpaid costs and expenses reasonably and actually incurred in connection with administering the Settlement Fund;

(b) to pay Lead Counsel's and other plaintiffs' counsels' Fees, Expenses and costs, with interest thereon (the "Fee and Expense Award") if and to the extent allowed by the Court;

(c) to pay the reasonable costs incurred in the preparation of any tax returns required to be filed on behalf of the Settlement Fund as well as the taxes (and any interest and penalties determined to be due thereon) owed by reason of the earnings of the Settlement Fund; and

(d) to pay the claims that have been finally allowed by the Court pursuant to the Plan of Allocation.

9. If the Settlement is approved by the Court, the Court will enter a judgment which will dismiss the Action with prejudice against Defendants, and bar and permanently enjoin Plaintiffs and each Class Member from prosecuting in any way the Released Claims against Defendants and others defined in the Stipulation. The Court shall retain jurisdiction over implementation of the Settlement, disposition of the Settlement Fund, hearing and determining Plaintiffs' Counsels' application for attorneys' Fees, costs, interest, Expenses (including fees

and costs of experts and/or consultants) and enforcing and administering the Settlement, including any releases executed in connection therewith.

PARTICIPATION IN THE CLASS

If you are one of the persons falling within the definition of the Settlement Class (a "Settlement Class Member"), you will remain a Settlement Class Member unless you elect to be excluded from the Settlement Class by the procedure described below. All Settlement Class Members who do not request to be excluded from the Settlement will be bound by any judgment entered in the Action pursuant to the Stipulation, whether or not that person files a Proof of Claim. If you wish to remain a Settlement Class Member, you need do nothing (other than timely file a Proof of Claim and Release in order to participate in the distribution of the Net Settlement Fund) and your rights will be represented by Lead Counsel for Lead Plaintiffs. If you wish, you may enter a legal appearance individually or through your own counsel at your own expense.

TO BE ELIGIBLE TO PARTICIPATE IN THE DISTRIBUTION OF THE NET SETTLEMENT FUND, YOU MUST TIMELY COMPLETE AND RETURN THE PROOF OF CLAIM AND RELEASE FORM THAT ACCOMPANIES THIS NOTICE. ALL PROOF OF CLAIMS MUST BE POSTMARKED OR RECEIVED BY NOVEMBER 28, 2003, addressed as follows:

In re Nesco, Inc. Securities Litigation
Claims Administrator
c/o Heffler, Radetich & Saitta L.L.P.
Post Office Box 58697
Philadelphia, PA 19102-8697

Unless otherwise ordered by the Court, any Class Member who fails to submit a Proof of Claim within such period, or such other period as may be ordered by the Court, shall be forever barred from receiving any payments from the Net Settlement proceeds, but will, in all other respects, be subject to the provisions of the Stipulation and the final judgment entered by the Court, including the release of all settled claims against the Defendants and other releasees.

EXCLUSION FROM THE CLASS

You may request to be excluded from the Class if you file a written Request for Exclusion with the Clerk of the Court, United States District Court for the Northern District of Oklahoma, United States Courthouse, 333 W. 4th Street, Tulsa, Oklahoma 74103 not later than September 30, 2003, and mail a copy of such exclusion to: In re Nesco, Inc. Securities Litigation, Claims Administrator, c/o Heffler, Radetich & Saitta L.L.P., Post Office Box 58697, Philadelphia, PA 19102-8697, in an envelope postmarked not later than September 30, 2003. Any Requests for Exclusion must indicate on the envelope "Request for Exclusion" — Nesco, Inc. Securities Litigation," and must provide: (a) your name, address, telephone number; (b) the number of shares of Nesco common stock purchased and sold during the Class Period; (c) the dates of and price paid or received on all such purchases and sales; (d) the total market loss suffered in connection with the purchase and sale of Nesco common stock; and (e) the reason as to why you are requesting exclusion. Persons who request exclusion must also include documentation, such as brokerage statements, establishing trading in Nesco common stock. Persons who request exclusion will not be entitled to share in the benefits of the Settlement and will not be bound by any judgment entered in the Action.

THE RIGHT TO BE HEARD AT THE HEARING

Any Class Member who has not requested exclusion may appear at the Final Approval Hearing to show cause why the Settlement should not be approved, why the Action should not be dismissed with prejudice as against Defendants, why the proposed Plan of Allocation should not be approved, or to present any opposition to the application of Lead Counsel for Fees, allowances, and disbursements; provided, however, that no such person shall be heard, unless his or her objection or opposition is made in writing and is filed with the Court by September 30, 2003, and showing due proof of service by overnight mail or hand delivery on the following:

Lead Counsel for Plaintiffs and the Class:

Sherrie R. Savett, Esq.
Michael T. Fantini, Esq.
Berger & Montague, P.C.
1622 Locust Street
Philadelphia, PA 19103

Counsel for Eddy L. Patterson:

James Reed, Esq.
Pamela H. Goldberg, Esq.
Hall Estill Hardwick Gable Golden & Nelson
320 S. Boston Avenue, Suite 400
Tulsa, OK 74103-3708

Counsel for Tullius Taylor Sartain & Sartain, LLP:

Gregory D. Nellis, Esq.
Mark W. Maguire, Esq.
Roni S. Rierson, Esq.
Atkinson Haskins Nellis Holeman Phipps Brittingham & Gladd
525 South Main, 1500 Park Centre
Tulsa, OK 74103

Counsel for Larry Johnson:

Thomas R. Buchanan, Esq.
McDowell, Rice, Smith & Garr, P. C.
Skelly Building, Suite 350
605 West 47th Street
Kansas City, MO 64112-1905

Counsel for James Howell:

R. Tom Hillis, Esq.
David J. Schaffer, Esq.
Barkley, Titus, Hillis & Reynolds
15 E. 5th Street, Suite 2250
Tulsa, OK 74103

Attendance at the hearing is not necessary, however, persons wishing to be heard orally in opposition to the approval of the Settlement, the Plan of Allocation, and/or the request for attorneys' Fees and Expenses are required to indicate in their written objection their intention to appear at the hearing. Persons who intend to object to the Settlement, the Plan of Allocation, and/or Lead Counsel's application for an award of attorneys' Fees and Expenses, and who desire to present evidence at the Settlement Fairness Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Fairness Hearing. Class Members do not need to appear at the hearing or take any other action to indicate their approval. Any Class Member who does not make his or her objection or opposition in the manner provided above shall be deemed to have waived all objections and opposition to the fairness, reasonableness, and adequacy of the Settlement, and to the request of Plaintiffs' Counsel for Fees and Expenses.

CONDITIONS FOR SETTLEMENT

The Settlement is conditioned upon the occurrence of a number of events, which are subject to waiver. Those events include, among other things: (1) entry of the Order and Final Judgment by the Court as provided for in the Stipulation; and (2) expiration of the time to appeal from the Order and Final Judgment. If any one of the conditions described in the Stipulation is not met, the Settlement might be terminated and, if terminated, will become null and void, and the parties to the Stipulation will be restored to their respective positions as of the date of the Stipulation.

On September 25, 2002, Mr. Dallin Bagley, a former director of Nesco, filed a complaint against defendant Eddy L. Patterson and defendant Tullius Taylor Sartain & Sartain, LLP. The complaint alleges that these defendants intentionally or recklessly issued false statements to the public regarding Nesco's financial condition, thereby causing Mr. Bagley to purchase Nesco stock at inflated prices. In conjunction with the Settlement of this Action, Defendants also have agreed to settle Mr. Bagley's action. Mr. Bagley has the option to withdraw from the settlement of his claims against defendants, if the insurer for Defendant Tullius Taylor does not pay him the agreed-upon settlement amount by the earlier of: one hundred and fifty (150) days from the signing of the Stipulation in this Action, or within ten (10) days of the District Court entering its Order and Final Judgment granting final approval of the Settlement of this Action. If Mr. Bagley exercises his right to withdraw from the settlement of his claims, in accordance with the provisions above, then Defendants have the right in their discretion to terminate the Settlement of this Action.

APPLICATION FOR ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES

Lead Counsel for Plaintiffs and the Class will apply to the Court at the Final Approval Hearing for an award of Fees of up to one-third

(33½%) of the Settlement Fund plus reimbursement of litigation Expenses and disbursements up to the approximate amount of \$75,000 with interest thereon. All amounts recoverable by Counsel for the Class will be paid from the Settlement Fund prior to distribution from the Settlement Fund to the Authorized Claimants.

EXAMINATION OF PAPERS AND INQUIRIES

For a more detailed statement of the matters involved in this Action, reference is made to the pleadings, to the Stipulation, and to other papers filed in this Action, which may be inspected in the Office of the Clerk of the Court, United States District Court for the Northern District of Oklahoma, United States Courthouse, 333 W. 4th Street, Tulsa, Oklahoma 74103 during business hours of each business day.

Other inquiries regarding the administration of the Settlement Fund or this Notice should be addressed as follows:

In re Nesco, Inc. Securities Litigation
Claims Administrator
c/o Heffler, Radetich & Saitta L.L.P.
Post Office Box 58697
Philadelphia, PA 19102-8697
1-800-528-7199

PLEASE DO NOT CONTACT THE COURT OR THE CLERK'S OFFICE EXCEPT IN PERSON TO REVIEW DOCUMENTS ON FILE OR SET FORTH ABOVE.

SPECIAL NOTICE TO BANKS, BROKERS, AND OTHER NOMINEES

Banks, brokerage firms, institutions, and other persons, who as nominees purchased the common stock of Nesco, Inc. during the period from April 26, 2000 through August 16, 2001, inclusive, have been

directed by the Court, WITHIN TEN (10) DAYS OF RECEIPT OF THIS NOTICE to: (1) provide the Claims Administrator with the name and addresses of each such beneficial owner, preferably on computer-generated mailing labels or electronically, or (2) forward a copy of this Notice to each such beneficial owner and provide the Claims Administrator with written confirmation that the Notice has been so forwarded. Additional copies may be obtained from the Claims Administrator for forwarding to such beneficial owners. All such requests should be in writing, as follows:

In re Nesco, Inc. Securities Litigation
Claims Administrator
c/o Heffler, Radetich & Saitta L.L.P.
Post Office Box 58697
Philadelphia, PA 19102-8697
1-800-528-7199

Regardless of whether you choose to complete the mailing yourself or elect to have the mailing performed for you, you may obtain reimbursement for reasonable administrative costs actually incurred or expected to be incurred in connection with forwarding the Notice and Proof of Claim and which would not have been incurred but for the obligation to forward the Notice and Proof of Claim, upon submission of appropriate documentation to the Claims Administrator.

Dated: August 18, 2003

BY ORDER OF THE COURT
UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF
OKLAHOMA

[THIS PAGE INTENTIONALLY LEFT BLANK]

**IN THE UNITED STATES DISTRICT COURT FOR
THE NORTHERN DISTRICT OF OKLAHOMA**

In Re: NESCO, INC. SECURITIES LITIGATION

This Document Relates To:
All Actions

Master File
No. 4:01-CV-0827-H(C)

PROOF OF CLAIM AND RELEASE

IF YOU PURCHASED OR OTHERWISE ACQUIRED SHARES OF NESCO, INC. ("NESCO") COMMON STOCK DURING THE PERIOD FROM APRIL 26, 2000 THROUGH AUGUST 16, 2001, INCLUSIVE (THE "CLASS PERIOD"), OR PURCHASED NESCO STOCK PURSUANT TO NESCO'S PRIVATE PLACEMENT MEMORANDUM DATED MAY 14, 2001, AND WERE DAMAGED THEREBY, YOU MAY WISH TO FILE A PROOF OF CLAIM FOR A POTENTIAL RECOVERY.

GENERAL INSTRUCTIONS

1. In order to receive any payments to which you may be entitled as a member of the Class in the action entitled, *In re Nesco, Inc. Securities Litigation*, Master File No. 4:01-CV-0827H(C), (the "Action"), you must complete and sign this Proof of Claim and Release (the "Proof of Claim"). If you fail to submit a properly addressed Proof of Claim (as set forth in Paragraph 3 below), your claim may be rejected and you may be precluded from any recovery from the Settlement Fund created in connection with the proposed settlement of the Action.

2. Submission of this Proof of Claim, however, does not assure that you will share in the proceeds of the Settlement in the Action.

3. YOU MUST MAIL YOUR COMPLETED AND SIGNED PROOF OF CLAIM TO THE CLAIMS ADMINISTRATOR POST-MARKED ON OR BEFORE NOVEMBER 28, 2003, ADDRESSED AS FOLLOWS:

In re Nesco, Inc. Securities Litigation
Claims Administrator
c/o Heffler, Radetich & Saitta L.L.P.
Post Office Box 58697
Philadelphia, PA 19102-8697

4. If you are a member of the Class and you did not timely request exclusion in connection with the proposed settlement, you are bound by the terms of any judgment entered in the Litigation, WHETHER OR NOT YOU SUBMIT A PROOF OF CLAIM.

5. If you are NOT a member of the Settlement Class (as defined in the enclosed Notice), DO NOT submit a Proof of Claim.

CLAIM FORM

1. If you purchased or acquired Nesco stock and held the certificate(s) in your name, you are the beneficial purchaser as well as the record purchaser. If, however, you purchased or acquired Nesco stock and the certificate(s) were registered in the name of a third party, such as a nominee or brokerage firm, you are the beneficial purchaser and the third party is the record purchaser.

2. Use Part I of this form entitled "Claimant Identification" to identify each beneficial purchaser and, if different, each purchaser of record of Nesco, Inc. stock which forms the basis of this claim. THIS CLAIM MUST BE FILED BY THE ACTUAL BENEFICIAL PURCHASER OR PURCHASERS OR THE LEGAL REPRESENTATIVE OF SUCH PURCHASER OR PURCHASERS, OF THE NESCO STOCK UPON WHICH THIS CLAIM IS BASED.

3. All joint purchasers must sign this claim. Executors, administrators, guardians, conservators, and trustees must complete and sign this form on behalf of persons represented by them and documentation establishing their authority must accompany this claim and their titles and capacities must be stated. The Social Security (or taxpayer identification) number and telephone number of the beneficial owner may be used in verifying the claim. Failure to provide the foregoing information could delay verification of your claim or result in rejection of the claim.

4. Use Part II, Sections A, B and C of this form entitled "Schedule of Transactions in Nesco Stock" to supply all required details of your transaction(s) in Nesco stock. On the schedules, provide all of the requested information with respect to *all* of your purchases, *all* of your acquisitions, and *all* of your sales of Nesco stock which took place from April 26, 2000 through August 16, 2001, inclusive (the "Class Period"), regardless of whether such transactions resulted in a profit or loss. Failure to report all such transactions may result in the rejection of your claim.

5. List each transaction in the Class Period separately and in chronological order, by trade date, beginning with the earliest. You must accurately provide the month, day, and year of each transaction you list.

6. Brokerage commissions and transfer taxes paid by you in connection with your purchase and sale of Nesco stock should be excluded in computing the "total purchase price" and the "total sales price."

7. Brokers' confirmations or other documentation of your transactions in Nesco stock should be attached to your claim. Failure to provide this documentation could delay verification of your claim or result in rejection of your claim.

C. SALES OF NESCO STOCK (From APRIL 26, 2000 THROUGH AUGUST 16, 2001, inclusive) (must be documented):

Trade Date(s) (List Chronologically) Month / Day / Year	Number of Shares Sold	Sale Price Per Share	Total Sales Price (excluding commissions, transfer taxes or other fees)
□□ - □□ - □□	□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□□□
□□ - □□ - □□	□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□□□
□□ - □□ - □□	□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□□□
□□ - □□ - □□	□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□□□
□□ - □□ - □□	□□□□□□	\$ □□□□ . □□□□	\$ □□□□□□□□ . □□□□

Total Shares Sold □□□□□□□□

D. Number of shares held at the close of trading on August 16, 2001: _____ (must be documented).

If you require additional space, attach extra schedules in the same format as above. Sign and print your name on each additional page and check this box .

YOU MUST READ AND SIGN RELEASE ON PAGE 10.

SUBMISSION TO JURISDICTION OF COURT AND ACKNOWLEDGMENTS

I submit this Proof of Claim and Release under the terms of the Stipulation of Settlement described in the Notice. I also submit to the jurisdiction of the United States District Court, Northern District of Oklahoma with respect to my claim as a Class Member and for purposes of enforcing the release set forth herein and any judgment that may be entered in the Action. I agree to furnish additional information to Lead Counsel for Lead Plaintiffs to support this claim if required to do so. I have not submitted any other claim covering the same purchases, acquisition or sale of Nesco stock during the Class Period and know of no other person having done so on my behalf.

DEFINITIONS

1. "Defendants" means Eddy L. Patterson, James Howell, Larry Johnson, and Tullius Taylor Sartain & Sartain, LLP.
2. "Released Persons" means Nesco, Inc., Eddy L. Patterson, James Howell, Larry Johnson, and Tullius Taylor Sartain & Sartain, LLP, and each of them, and any of their former and present employees, directors, officers, accountants, agents, attorneys, insurers, investment bankers, representatives, affiliates, subsidiaries, parents and each of their heirs, executors, administrators, beneficiaries, predecessors, successors, assigns, and each of them, and all persons covered by the releases and covenants not to sue set forth in III2(a)-(c) of the Stipulation of Settlement.
3. "Released Claims" means any and all manner of actions, causes of actions, suits, obligations, claims, debts, demands, agreements, promises, liabilities, damages, losses, controversies, costs, expenses, and attorneys' fees whatsoever, whether in law or in equity and whether based on any federal law, state law, common law or foreign law right of action or of any other type or form, foreseen or unforeseen, actual or potential, matured or unmatured, known or unknown, accrued or not accrued which each Lead Plaintiff and Class Member, or any of them, ever had, now have, or can have, or shall or may hereafter have, either individually, or as a member of a class, against any and all Released Persons, for, based on, by reason of, or arising from or relating to the conduct alleged in the Consolidated Class Actions or the Action, including, but not limited to, (i) claims that directly or indirectly arise out of any of the facts, transactions, events, occurrences, acts or omissions mentioned or referred to in the Complaint in this Action, or other matters that are or could have been set forth, alleged, embraced or otherwise referred to in the Complaint, the Action or the Consolidated Class Actions, or which could have been brought against Defendants relating to a Class Member's purchase or other acquisition of Nesco, Inc. common stock during the Class Period, including all matters encompassed within the releases and covenants not to sue set forth in III2(a)-(c) of the Stipulation, and (ii) claims arising out of the prosecution or defense of the Action, including, but not limited to, claims related to the execution of, and entry into, the Stipulation, such as but not limited to, claims for fraud in the inducement, negligent misrepresentation, or fraud; except that nothing in the Stipulation releases any claim arising out of the violation or breach of the terms of the Stipulation.

RELEASE AND SUBSTITUTE FORM W-9

A. I hereby acknowledge full and complete satisfaction of, and do hereby fully, finally and forever settle, release and discharge each and all of Defendants, and each and all of the "Released Persons" from and of any and all "Released Claims."

B. With respect to any and all Released Claims, I expressly waive any and all rights or benefits I may now have, or in the future may have, under any law relating to the releases of unknown claims, including, without limitation, Section 1542 of the California Civil Code, which provides:

A general release does not extend to the claims which the creditor does not know or suspect exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

I expressly have waived any and all provisions, rights and benefits conferred by any law or any state or territory of the United States or any foreign country, or any principle of common law, which is similar, comparable or equivalent in substance or intent to Section 1542 of the California Civil Code.

C. This Release shall be of no force and effect unless and until the Court approves the Stipulation of Settlement (the "Stipulation") and the Stipulation becomes effective as to all Defendants or any Released Persons as of the Effective Date (as defined in the Stipulation).

D. I hereby warrant and represent that I have not assigned or transferred or purported to assign or transfer, voluntarily or involuntarily, any matter released pursuant to this Release or any other part or portion thereof.

E. I hereby warrant and represent that I have included information about all of my transactions in Nesco common stock which occurred during the Class Period, as well as the number of shares of Nesco held by me on the close of trading on August 16, 2001.

F. I (We) certify that I am (we are) **NOT** subject to backup withholding under the provisions of Section 3406(a)(1)(C) of the Internal Revenue Code.

If you have been notified by the Internal Revenue Service that you are subject to backup withholding, please strike out the word "**NOT**" in the Certification above and check here .

NOTE: If you require the Instructions for Completing Substitute Form W-9, please make a written request to us at: Nesco, Inc. Securities Litigation, Claims Administrator, c/o Heffler, Radetich & Saitta L.L.P., P.O. Box 58697, Philadelphia, PA 19102-8697. Please note that your accountant should also be able to provide you with the Instructions.

The Internal Revenue Service does not require your consent to any provision of this document other than the certification required to avoid backup withholding.

I hereby certify under penalty of perjury under the laws of the United States of America that the foregoing information supplied by the undersigned is true and correct and that this Proof of Claim form was executed this

_____ day of _____ in _____
(Month) (Year) (City, State, Country)

(Signature of Claimant)

(Type or print your name here)

(Signature of Joint Claimant, if any)

(Type or print your name here)

(Capacity of persons signing, e.g., Beneficial Purchaser, Executor or Administrator)

**ACCURATE CLAIMS PROCESSING
TAKES A SIGNIFICANT AMOUNT OF TIME.
THANK YOU FOR YOUR PATIENCE**

Reminder Checklist:

1. Please sign the Proof of Claim and Release.
2. Remember to attach copies of supporting documentation.
3. Do not send original or copies of stock certificates.
4. If you move, please send your new address to the address below.
5. Please keep a copy of your claim form for your records. If you wish confirmation of receipt for your claim form, please send it via Certified Mail, Return Receipt Requested.
6. If you have any questions concerning this Proof of Claim, contact the Claims Administrator at:

In Re Nesco, Inc. Securities Litigation
Claims Administrator
c/o Heffler, Radetich & Saitta L.L.P.
P.O. Box 58697
Philadelphia, PA 19102-8697

Claims Administrator
In Re Nesco, Inc. Securities Litigation
c/o Heffler, Radetich & Saitta L.L.P.
P.O. Box 58697
Philadelphia, PA 19102-8697

FIRST-CLASS MAIL
U.S. POSTAGE
PAID
PERMIT NO. 2323
PHILADELPHIA, PA