

EGRET CAPITAL PARTNERS LLC



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- The strength of the American economic system lies in the more than five million small to medium sized businesses responsible for nearly half of the country's gross domestic product.
- While many of these companies are content to remain small, a few of them are led by visionary, dedicated entrepreneurs who have the ambition and ability to move to the next level, applying capital and leveraging resources to become significant forces within their industries.
- Egret Capital Partners provides financial backing and strategic guidance to these executives, enabling them to generate long-term equity appreciation while rising to the forefront of their fields. Led by principals with impeccable reputations and over a century of combined expertise in financing, operations, and supporting strong managers, Egret serves as a valuable partner for companies that have a clear strategic vision for creating significant enterprise value.



Investment Philosophy

Egret was formed by a team of **industry veterans**, nationally recognized principals from some of the most renowned investment firms in the world. With strong complementary skill sets, Egret's partners' capabilities stem from our **deep backgrounds** in corporate strategy, operational management, financial structuring and entrepreneurial investing. These skills, combined with over a **\$250 million** in personal assets, are what Egret brings to every one of its carefully chosen investments.

Because we are a closely held partnership, we value **integrity, confidentiality and discretion** above all else. When we begin working on a potential relationship, there are no press releases, leaks or public announcements. We are happy to sign confidentiality agreements, and insist that all discussions are conducted out of the public glare.

In a world of increasingly transient investment vehicles, the principals of Egret are **widely known and respected**, with many decades of combined experience in founding, funding, and adding value to companies. We live by our reputations, and would be pleased to refer potential partners to the executives who have done business with us. We assure you that the results of any background check will be stellar. That promise is a stark and simple indication of the respect with which we interact with others, and the experiences that they have had with us.

Many institutions and organizations are available to provide capital for expanding businesses. What sets Egret apart is our commitment to **leverage our skills** for the benefit of the company through the comprehensive, structured, value-added approach we bring to our investments.



Our process begins with a very careful selection of opportunities. **Rather than go broad, we go deep.** Before Egret considers an investment we look at every facet of a business, from management to markets, and from products to performance. But numbers are not the only metric we consider, because while important, they rarely tell the full story.

Egret looks beyond a company's recent financial statements to understand its true **potential for the long term**. Like our namesake, we are patient and willing to invest our capital and ourselves in **working with a management team** to create substantial enterprise value. At the same time, we have the expertise to move quickly and decisively when the occasion warrants.

Because we **highly value strong management teams**, it is our philosophy to provide significant financial incentives to a company's leadership, so that those who contribute to the organization's equity growth are the ones who directly benefit from it. Our experience in hundreds of deals has given us the ability to consistently deliver win-win solutions that benefit a company's equity owners, its management, its customers and ourselves.

Once our financial investment is complete, our involvement is just beginning. We **work with the managers we are backing** to develop appropriate strategies for growth, to implement operational improvements, and to identify add-on acquisition opportunities. In addition, once we have closed on our investments, management may take advantage of our broad and deep base of industry contacts.

We focus on the **effective execution of the organization's strategy**. We have been managers ourselves, in companies ranging from manufacturing and production to mobile media and financial services, and are deeply familiar with the challenges that face corporate management in the twenty-first century.

Investment Profile

Egret is a specialized private equity firm with a very clear idea of the kind of opportunities to which we can bring the most value. While we have the flexibility to vary from the below profile, we focus on investments that meet the following guidelines:

Revenues of at least \$15 million, with EBITDA/free cash flow up to \$5 million

Egret concentrates in what is known in the industry as the 'lower-middle market', and seeks companies that have recurring revenue from an established customer base. Due to our significant strengths in finance, operations and growth management we will potentially consider currently unprofitable opportunities that otherwise meet our criteria.

Long-term Investment Horizon

While we ultimately are seeking a significant financial return, we are very patient investors. We anticipate from the outset that our involvement with the companies in which we invest will extend for a number of years.

A Majority Investment

Our ongoing support is most effective when we have a clear position at the board table, so Egret targets those enterprises in which we can acquire a control position.

Potential for value enhancement

An attractive investment to us is one where there is a potential for significant growth and equity improvement. We seek companies in large and growing markets with scaleable business models and sustainable competitive advantages. We also prefer to see numerous customers, fragmented competitors, proprietary distribution or technology, and a low level of capital expenditures.



Management Involvement

We recognize that liquidity and diversification may be important drivers in the search for outside investors and are prepared to help owners achieve those goals in a tax effective manner. However, since our success depends on the success of a company's management, we insist that the executive team be fully engaged with a significant equity interest in our joint future growth. We seek investments where the core management team is in place and is interested in either retaining significant equity involvement with the company (in the case of owner-operators) or acquiring such an interest.

Based in North America

While our principals have lived and worked around the world, we believe in spending a substantial amount of time in close support of our management teams. For that reason we limit our investing to companies whose principal operations are based in the United States or Canada.

Manufacturing and Business Services

The ability for us to truly add value is highest in those areas where we bring a substantial amount of experience and expertise. We look at a broad range of businesses including opportunities in the following areas:

Manufacturing

- Agricultural/farm equipment
- Consumable items
- Engineered products
- Non-durables
- Pet supplies/Services
- Remanufactured products
- Security products/Services
- Storage equipment
- Test/measuring equipment

Business Services

- Computer-related services
- Equipment rental or leasing
- Event planning
- Facilitators of back office functions
- Healthcare services (e.g. staffing)
- Printing and publishing
- Repair/maintenance
- Third party logistics
- Value-added distribution

Investment Team

Egret was formed by a team of industry veterans, nationally recognized principals from some of the most renowned investment firms in the world. With strong complementary skill sets, Egret's partners' capabilities stem from our deep backgrounds in corporate strategy, operational management, financial structuring and entrepreneurial investing.



Peter Nager



James Morice



Phyllis
Haberman



David Rose



James Silver

Peter Nager is a former Partner of the corporate advisory and investment banking firm, James D. Wolfensohn Incorporated. Following the sale of Wolfensohn he became a Partner and Senior Managing Director at its successors Bankers Trust and later Deutsche Bank.

James Morice has more than thirty years of experience in a wide range of businesses consulting on organizational and strategy issues. Additionally, he was held a number of operating positions, including as the COO of a successful \$100 million business, and has served on the boards of numerous public and private corporations.

Phyllis Haberman has over twenty years of experience in executing middle market private equity transactions across all investment formats including leveraged buyouts, providing growth equity and venture capital deals.

David Rose is an Inc 500 CEO and investor described by *Red Herring* magazine as "patriarch of New York's Silicon Alley", by *Crain's New York Business* as one of the city's 25 most influential technology executives, and by *BusinessWeek* as a "world-conquering entrepreneur."

James Silver has developed a strong mix of operating and financial skills during almost twenty years of private equity experience. As an operating executive and turnaround chief executive officer, he successfully managed, built and invested in companies across a multitude of industries.



Peter Nager is a former Partner of the corporate advisory and investment banking firm, James D. Wolfensohn Incorporated. Following the sale of Wolfensohn to Bankers Trust (BT) he became a Partner and Senior Managing Director at BT and upon the merger of BT with Deutsche Bank, he assumed the same positions with Deutsche Bank. Earlier in his career he was a lawyer at the firm Debevoise & Plimpton specializing in mergers and acquisitions.

Mr. Nager has advised the boards, CEO's and other senior executives of such noteworthy companies as Dupont, Unisys, Lubrizol, Johns Manville, Major League Baseball, John Labatt, Northern Telecom, Ault Foods Limited and Nova Chemicals. His advisory work encompassed traditional transactional mergers and acquisition work as well as financing assistance and corporate strategy.

Among the significant publicly disclosed transactions for which he served as the lead banker are: the IPO and Spin-off of Conoco by Dupont, the sale of its defense business to Loral by Unisys, the sale of its U.S. and its Canadian dairy businesses by John Labatt, the purchase of Protein Technology from Ralston Purina by Dupont, the sale of the Arizona Diamondbacks and Tampa Bay Devil Ray franchises to investor groups on behalf of Major League Baseball and the repurchase by Dupont of the 25% interest in Dupont held by The Seagrams Company.

Mr. Nager is currently a director of and significant shareholder in MedEfficiency Inc. (a privately held medical products company based in Denver).

He has an ongoing involvement with numerous charitable endeavors. Mr. Nager is a member of the Board of Trustees and of the Executive Committee of the Caramoor International Music Festival, as well as the Boards of Trustees of The Beaver Dam Sanctuary, and the City Parks Foundation. He also sits on the Committee on Investments of the Social Science Research Council. Previously, Mr. Nager was President of Symphony Space.

Mr. Nager holds a B.A. in Mathematics and Economics from Brown University, an M.B.A. from The University of Chicago Graduate School of Business and a J.D. from The University of Chicago Law School.



James Morice is the founder and Managing Member of Morice Consulting, LLC, which is engaged in a variety of consulting activities, including executive search, business strategy, organizational alignment, best practices benchmarking, and executive evaluation and development.

Fundamental to his business consulting success is the ability to understand a company's culture, vision, goals, strategies, business plans, financial situation, communications style, decision making methods, work processes and flows, and organizational alignment. These capabilities applied to the private equity field, positively affect the achievement of a company's strategic objectives.

Mr. Morice's consulting career began in 1969 with McKinsey and Company. In 1972 he joined Billington, Fox and Ellis as a Partner; in 1976 he was recruited to Spencer Stuart and Associates and was elected a Principal, and in 1980 he went to William H. Clark Associates as a Partner.

His consulting has been at the executive management level of business. His experience includes a variety of industries, including medium to high technology, general manufacturing, packaged goods, financial services, and insurance. He has worked with emerging enterprises and large global corporations in both their domestic and international operations.

Mr. Morice's corporate experience includes an executive management role with a successful start up company, NationsBuilders Insurance Services, Inc. as well as corporate roles with Equitable Life and Chemical Bank.

For the last thirty years, Mr. Morice has served on the Board of Directors of numerous companies including HSBC N.A. and its USA banking entities; NationBuilders Insurance Services, Inc.; Republic New York Corporation and its bank; Microwave Power Devices, Inc.; and The Williamsburg Savings Bank..

Mr. Morice earned a Bachelor of Science degree from New York University - School of Commerce, Accounts and Finance and holds an Associate's degree in Electrical Engineering.



Phyllis Haberman has over twenty years of experience in executing middle market private equity transactions across all investment formats including leveraged buyouts, providing growth equity and venture capital deals.

Ms. Haberman is a former Partner and a member of the Investment Committee at Charterhouse Group, Inc. a middle market private equity investment firm managing capital in excess of \$1.3 billion on behalf of global institutional investors.

Ms. Haberman served on the Board of Directors for numerous public and private firms, including a publicly traded provider of information and transaction processing services, a provider of outsourced business process solutions, a manufacturer of automotive parts, a medical device technology company, an apparel manufacturing business and a manufacturer of engineered products. She was a member or Chairperson of the audit committee for a majority of these Boards.

Ms. Haberman has reviewed and evaluated hundreds of businesses for sale or seeking capital across a wide spectrum of industry segments including business services, consumer products and industrial markets. She has negotiated, structured, valued and led due diligence for acquisition transactions and, subsequent to the closing of the investments, was responsible for monitoring the companies, as well as advising on the timing and execution of exit strategies. Additionally, she has regularly provided expertise to management with business strategy including add-on acquisitions.

Prior to joining Charterhouse in 1985, Ms. Haberman held business development, marketing planning and financial management positions at Celanese Corporation, a publicly traded chemical manufacturing company.

Ms. Haberman earned a B.S. in Mathematics from Simmons College and an M.B.A. in Finance from Columbia University Business School.



David Rose is an Inc 500 CEO and investor described by Red Herring magazine as "patriarch of New York's Silicon Alley" and by Crain's New York Business as one of the City's 25 most influential technology executives.

In 1984, Time magazine profiled him in its "Computer as Man of the Year" issue; in 1997 he was honored as a finalist for Ernst & Young's Entrepreneur of the Year Award in the New York New Media category; and in 2006 he received a New York Ten award, known as the 'academy award of New York business' and was described by BusinessWeek as a "world conquering entrepreneur".

Mr. Rose is Chairman of the Board of New York Angels, the leading angel investment consortium in the New York region. Through his investment fund, Rose Tech Ventures, he provides capital and management expertise to promising early stage companies and has personally raised tens of millions of dollars in venture, strategic and institutional capital.

With over two decades of hands-on experience in founding, managing and funding diverse companies, he is actively involved in mentoring and advising other entrepreneurs and corporate executives. Dubbed by BusinessWeek "The Pitch Coach" for his ability to help entrepreneurial executives perfect their fundraising skills, he is a frequent guest speaker at graduate business schools including Harvard, Yale, Columbia, Wharton and NYU.

Mr. Rose is Chairman and CEO of Angelsoft, which operates a collaboration platform for early stage equity investing; Chairman of wireless network operator Ambient Devices; Director of network security developer KoolSpan, Inc.; and serves as an active investor in over three dozen early stage companies. Prior to founding AirMedia Corporation in 1988, for which he served as CEO for over ten years, his career included over fifteen years in real estate development and government.

A native New Yorker, Mr. Rose has a B.A. from Yale University and an M.B.A. in Finance from Columbia University Business School.



James Silver has developed a strong mix of equally effective operating and financial skills during almost twenty years of private equity experience. As an operating executive, turnaround chief executive officer, he successfully managed, built and invested in companies across a multitude of industries. Mr. Silver has served on the Board of Directors of numerous public and private companies.

Mr. Silver previously was a Managing Director at Charterhouse Group, Inc. involved in both the Industrial and Business Services sectors while serving as a member of the Investment and Valuation Committees. Prior to leading these sectors, Mr. Silver spent ten years at Charterhouse as an entrepreneur. Prior to joining Charterhouse in New York, Mr. Silver served as an Assistant Director for Charterhouse Bank in London, investing private equity in European companies.

He worked with Charterhouse portfolio companies in diverse industry segments, including electronics, machine tools, industrial batteries, environmental services, contract manufacturing and software. Typical of his work as an entrepreneur, he successfully transitioned the products of a military electronics business into the commercial marketplace and took the company public.

Mr. Silver has had significant experience with turnarounds. Among the turnaround situations in which he has been involved are as the stalking horse bidder for a bankrupt health care services company and leading the privatization of a post-bankrupt document management company. Mr. Silver also served as CEO of a successful manufacturing turnaround.

Mr. Silver holds a B.S. from the University of Michigan and an M.B.A. from New York University, Leonard N. Stern School of Business.

**Investors in and executives of
companies meeting our investment
profile are invited to contact us at:**

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