



FRIEND SKOLER & Co.

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INTRODUCTION

FRIEND SKOLER & CO., INC. is a private equity firm committed to investing in leading growth companies in the smaller end of the middle market. We have a twenty-four year history of investing in partnership with management teams across a wide range of transactions, including recapitalizations, management buyouts, industry consolidations, ownership transitions in family businesses and growth capital opportunities.

We focus on investments in companies with enterprise values generally between \$20 million and \$100 million, typically providing equity capital of between \$10 million and \$30 million per investment. The firm has the flexibility to make control or non-control investments. To date, FSC and its principals have completed thirty-three transactions representing approximately \$855 million of total enterprise value.

FSC was founded in 1998 by Alexander Friend and Steven Skoler. Prior to forming FSC, Messrs. Friend and Skoler invested in and became the senior managers of two highly successful middle market buyouts, where they each gained ten years of hands-on operating experience. We believe the operating experience of our senior principals makes us a value added partner to the management teams of our portfolio companies and differentiates FSC from other private equity firms.



THE FSC DIFFERENCE

FSC is a unique investment firm in many ways:

- **Committed to supporting our management partners**
- **Senior principals with over twenty-five years of operating experience**
- **Dedicated to the smaller end of the middle market**
- **Superior track record**
- **Flexible approach to structuring transactions**
- **Extensive network of relationships**

FSC is *committed to supporting the management partners of our portfolio companies* by offering them access to the full resources of the firm. Our management teams have direct access to the firm's senior principals when they need consultation or support to address a particular strategic or operating matter. In addition, we work closely with management to formulate strategy, identify and complete add-on acquisitions, structure incentive compensation programs, and develop financial and management information systems. We believe in short lines of communication; as a result, we are quick to respond to management when issues arise.

With *over twenty-five years of hands-on operating experience in middle market companies*, our senior principals are uniquely qualified to add value to our portfolio companies. This valuable operating experience makes us a better partner for management teams as we can appreciate the challenges, risks and opportunities that arise in the day to day operations of a business.

Our founding principals have been investing together in the smaller end of the middle market for over twenty-four years. We believe that the smaller end of the middle market provides unique and attractive investment opportunities and we have a long history of structuring transactions in this market and working closely with management teams of smaller middle market companies.

We have *a proven track record of achieving superior returns* for our investors and *helping our management partners grow their enterprises*. Our investments have generated superior returns over a twenty-four year period, with several of our portfolio companies returning over three times the amount of capital invested.



We have *a flexible approach to structuring our transactions* to meet the unique requirements of the selling shareholders and to provide our companies with sufficient capital to finance their growth opportunities. In addition, we work closely with selling shareholders to create a structure that provides opportunities for selling shareholders and key management members to participate in the future equity appreciation of their company.

Since 1986, we have developed *an extensive network of relationships* with intermediaries, business owners, lenders, company managers, legal and financial advisors, management recruiters, consultants, and investors. These individuals may have expertise and experience that we can draw upon to support our portfolio companies or may provide leads to potential investment opportunities and add-on acquisitions.



INVESTMENT FOCUS

FSC has a broad investment mandate and will consider a wide variety of opportunities. However, typical characteristics of FSC's investments include:

Profitable Companies in the Smaller End of the Middle Market

We seek to acquire or invest in high quality, established businesses in the smaller end of the middle market, typically having valuations between \$20 million and \$100 million. Such companies will typically have annual revenues of at least \$20 million and historical EBIT of at least \$5 million. Our target equity investment size is between \$10 million to \$30 million per transaction.

Strong and Committed Management

We seek to invest in companies led by skilled management teams. In addition, a key element of our investment strategy is to partner with management teams who are willing to invest in their businesses and maintain significant ownership stakes during our investment period.

Favorable Market Position

We prefer businesses with strong market positions, distinct competitive advantages and attractive fundamentals. Such businesses have demonstrated growth in sales and profits, have established brand names or franchises in their markets, have sustainable pricing strategies, and sell products that have long life cycles not at risk of obsolescence. Such companies typically are #1 or #2 in their core product categories or market segments. In addition, we prefer companies with a diversified offering of products or services that are not highly dependent on a small group of customers and are not dependent on single sources of supply.

Opportunities for Growth

Our primary focus is to invest in high quality middle market businesses with attractive opportunities for growth organically or through add-on acquisitions. Sources of organic growth can be favorable demographic and environmental trends, unique value propositions, superior products or services, expansion into new sales or distribution channels, and product line or brand extensions.



Industries

We will invest in companies in a broad array of industries but have extensive experience in manufacturing, distribution, business services, direct marketing, e-commerce, retail and branded consumer products companies.

A Need for New Capital

FSC can provide capital for the following situations:

- Buyout capital to support management's buyout of a division of a parent company or to support the purchase of a company from its owner
- To support a recapitalization that results in partial liquidity for the shareholders or a generational change in ownership
- Expansion capital to finance a significant investment in the business
- Acquisition financing to support a strategic acquisition



INVESTMENT STRATEGY

Throughout our history we have adhered to an investment strategy that has resulted in a track record of superior returns. Key elements of our strategy include:

Proactive Sourcing of Transactions

Some of our best investment opportunities have arisen from proactive sourcing of transactions, relationships with a network of intermediaries focused on the smaller end of the middle market, and references from our extensive network of business contacts. FSC's principals have been pursuing investments in the smaller end of the middle market since 1986 and have well established relationships with intermediaries, lenders, investors, consultants, legal and financial advisors, business owners and company managers.

Managers as Partners

We consider management to be our partners in the fullest sense of the word. We seek to align the interests of our portfolio company management teams with the interests of the investors by ensuring that management has a meaningful ownership stake. We encourage management to purchase equity in their company and also reward them with stock option plans and incentive bonus programs.

Leverage Our Experience to Support Management

We seek to leverage our extensive experience as investors in and operators of smaller middle market companies in a broad range of industries. This experience allows us to add value to our portfolio companies by supporting senior management on key strategic and operating issues. Our management teams have direct access to the firm's senior principals when they need consultation or support. In addition, we work closely with management to formulate strategy, identify and complete synergistic add-on acquisitions, structure incentive compensation programs, and develop financial and management information systems.

Focus on Long Term Value Creation

We are patient investors focused on the long term creation of shareholder value. Successful business strategies and implementation plans should have the realization of long term, sustainable profit growth as their first priority; we work closely with management in formulating strategies to achieve this objective. We do not let short term challenges or issues cloud our view of the longer term opportunities for a business.



BENEFITS TO COMPANIES

An investment by FSC is attractive to business owners and management because they can:

- Access capital for growth, acquisition or shareholder liquidity
- Retain significant ownership and share in future equity appreciation
- Align with a sophisticated private equity investor

FSC is Uniquely Qualified to Support Management

With over twenty-five years of hands-on operating experience in middle market companies, our senior principals are uniquely qualified to add value to our portfolio companies. This valuable operating experience makes us a better partner for management teams as we can appreciate the challenges, risks and opportunities that arise in the day-to-day operations of a business.

While we do not participate in the day-to-day management of our portfolio companies, we add perspective from the Board of Directors and can assist management in the following areas:

- Provide guidance regarding business strategies and objectives
- Identify, evaluate and complete accretive add-on acquisitions
- Evaluate financing options
- Structure incentive compensation and equity participation programs
- Develop financial and management information systems
- Share “best practices” learned from other FSC portfolio companies and external resources
- Recruit senior level executives to fill vacant positions
- Provide access to executives in other industries who have expertise and experience that can benefit the company



F S C I N V E S T M E N T S

Current FSC Investments

The logo for Ballet features the word "Ballet" in a black, serif font. The letter "i" in "Ballet" has a small crown above it.

Ballet is a leading designer and marketer of costume jewelry sold by mass merchants, specialty retailers and department stores. Ballet markets a broad range of costume jewelry products, including earrings, bracelets, necklaces, rings and pins, across the basic and fashion categories.

The logo for box features the word "box" in a bold, black, sans-serif font.

Box is a preeminent provider of high-end digital imaging and motion post-production services to professional photographers, publishers, film and commercial art directors and corporate advertisers. The Company's services include digital retouching, color correction, prepress and creative production.

The logo for Event Photography Group features the words "EVENT PHOTOGRAPHY GROUP" in a white, sans-serif font on a dark brown rectangular background. A stylized white graphic element is positioned to the right of the text.

Event Photography Group is the leading provider of professional event photography services to educational institutions and endurance race organizers. For more information, visit the Company's website at: www.GradImages.com.

The logo for Madan Plastics features a circular emblem with a shield inside, containing various symbols. Above the emblem is the text "DEPENDABILITY QUALITY SERVICE". Below the emblem is the text "MADAN PLASTICS" in a bold, blue, sans-serif font.

Madan Plastics is a leading manufacturer of custom and proprietary injection molded products primarily serving the food handling, retail display, and packaging industries. For more information, please visit www.madanplastics.com.

Former FSC Investments



Hopkins is a leading manufacturer and marketer of branded electrical towing products, cleaning and winter care products, and specialized functional accessories for the automotive and RV aftermarkets. For more information, please visit www.hopkinsmfg.com, www.hopkinstowingsolutions.com, www.brakebuddy.com, www.nvisionsafety.com and www.carrand.com.



Slime is the leading manufacturer and marketer of premium, branded consumer products for the tire care solutions market. For more information, please visit www.slime.com.



Woodstream is a leading manufacturer and marketer of quality branded household pest control, lawn and garden care, and wildlife and pet caring control products. During FSC's ownership, Woodstream acquired Hyde's Birdfeeder, Inc., Safer Inc., Safer Ltd., K-Feeder Enterprises, Inc., Intagra, Inc. and Deer-Off Inc. For more information, please visit www.woodstream.com, www.victorpest.com, and www.havahart.com.



United Pet Group is a leading manufacturer and marketer of premium branded pet supply products for dogs, cats, fish, birds and small animals. During FSC's investment period, United Pet acquired Pets 'N People and Dingo Brands. For more information, please visit www.eightynonepet.com, www.marineland.com and www.dingobrand.com.



AllHeart is the leading direct marketer of medical uniform apparel, medical diagnostic instruments, footwear and accessories to healthcare professionals. For more information, please visit www.allheart.com.



Former FSC Investments (cont.)



CNC Global was the leading independently owned information technology staffing company in Canada.



Fashion Cents was a leading value retailer of women's apparel and accessories.



Kenlin Pet Supply was a leading distributor of pet supplies to specialty pet store retailers in the U.S. During FSC's ownership period, Kenlin acquired Spector Pet Supply, Inc. and Country Pet Supply, Inc.



THE FSC TEAM

ALEXANDER A. FRIEND, *Managing Director*

Mr. Friend has twenty-four years of experience as an investor/operating manager with middle market companies. Mr. Friend has served as a Director on the Boards of Event Photography Group, Inc. since 2009, Box Services, LLC since 2007, Ballet Jewels, LLC since 2005 and Madan Plastics, Inc. since 1988. Mr. Friend has also served as the Vice President of Madan Plastics since February 1988, as the President and a member of the Board of Directors of Kenlin Pet Supply, Inc. from 1992 to 1997 and as a member of the Board of Directors of Hopkins Manufacturing Corp., Accessories Marketing, Inc., Woodstream Corporation, CNC Global Limited, NAS Holdings Corp. and United Pet Group.

Mr. Friend holds a B.A. from Harvard University and an M.B.A. from The Stanford Graduate School of Business, where he was an Arjay Miller Scholar.

STEVEN F. SKOLER, *Managing Director*

Mr. Skoler has twenty-six years of experience as an investor/operating manager with middle market companies. Mr. Skoler has served as a Director on the Boards of Event Photography Group, Inc. and Box Services, LLC since 2007, Ballet Jewels, LLC since 2005 and Madan Plastics, Inc. since 1988. Mr. Skoler has also served as the President of Madan Plastics since 1988, as the Executive Vice President and a member of the Board of Directors of Kenlin Pet Supply, Inc. from 1992 to 1997 and as a member of the Board of Directors of Hopkins Manufacturing Corp., Accessories Marketing, Inc., Woodstream Corporation, CNC Global Limited and NAS Holdings Corp.

Mr. Skoler holds a B.A. from Harvard University and an M.B.A. from The Stanford Graduate School of Business.

GREGORY SULLIVAN, *Chief Financial Officer and Director, Portfolio Management*

Mr. Sullivan has been Chief Financial Officer and a Director at FSC since 1999. As a Director, he supports the senior financial management of FSC portfolio companies. From 1994 to 1999, Mr. Sullivan was the Vice President of Finance at Kenlin Pet Supply. Prior to Kenlin, Mr. Sullivan was the Director of Finance at APS, Inc. from 1992 to 1994; Manager of Finance at Loral Electronics International from 1986 to 1992; and a Staff Accountant at MacMillan Publishing and American Brands. Mr. Sullivan received his B.B.A. and M.B.A. from Iona College and a Post Graduate Certificate in Accounting from Seton Hall University.



CHERYL MOSS, *Vice President*

Ms. Moss joined Friend Skoler in July 2006. Previously, Ms. Moss worked as a Senior Analyst at Prudential Capital Group where she originated and managed a portfolio of private placement fixed income investments. Prior to her position at Prudential Capital Group, Ms. Moss earned a B.S.B.A. from Georgetown University's McDonough School of Business with concentrations in Finance and Accounting.

PETER MEYERS, *Senior Associate*

Mr. Meyers joined Friend Skoler in April 2011. Prior to joining FSC, Mr. Meyers was a Senior Associate at York Street Capital Partners where he made mezzanine and equity investments in middle market companies. Mr. Meyers also previously worked in the Leveraged Finance groups at Citigroup Global Markets and Morgan Stanley. Mr. Meyers earned a B.A. from the University of Pennsylvania, where he graduated cum laude.

