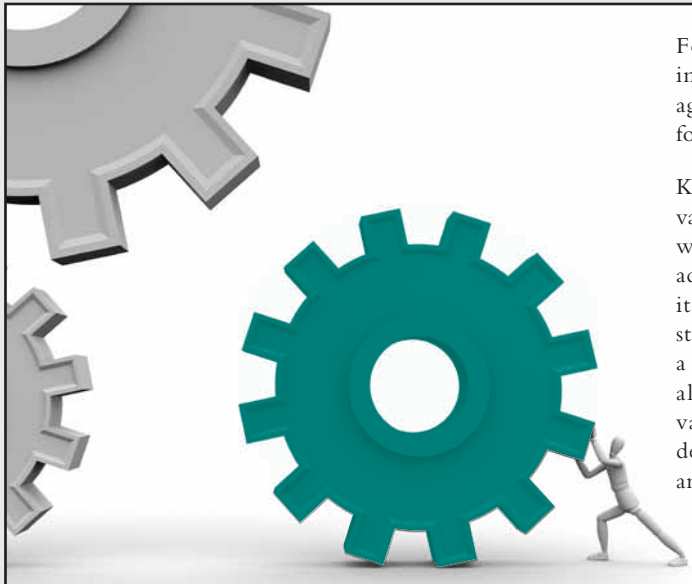


“Private equity firms are experienced at taking measured and calculated risks, which can assist a company in seizing opportunities in difficult times.”

Tom Littman, Kirtland Capital Partners



Founded among the private equity industry's pioneers more than 30 years ago, Kirtland has garnered a reputation for being among the best of partners.

Kirtland has been successful throughout a variety of economic cycles by partnering with strong management teams and adhering to a philosophy of leveraging its internal operating, financial and strategic resources. This, coupled with a disciplined investment strategy, has allowed Kirtland to create long-term value in its portfolio companies and deliver superior returns to its investors and management teams.

Partnerships are Easy...*during good times.*

The true test comes when times are tough.

KCP

KIRTLAND CAPITAL PARTNERS

Kirtland invests in middle-market **niche manufacturing, distribution** and **business service** companies with potential for growth organically and/or through strategic acquisition.

FOR INQUIRIES, CONTACT: **Dave Menning**, Director of Business Development, dmenning@kirtlandcapital.com
216-593-0100 WWW.KIRTLANDCAPITAL.COM

Private equity can offer a safe port in this storm

All you need to do is open your retirement account statement to know that the prices of most public companies have been battered, and in some cases decimated, in the last six months.

This carnage is often more pronounced for smaller public companies that attract little or no attention from analysts and the markets in general, says Tom Littman, managing partner at Kirtland Capital Partners.

“These small public companies find it difficult to raise capital and may feel like tiny rowboats lost in the ocean,” he says.

Private equity can offer an alternative to these public companies by providing a more stable capital base, alignment of interests among the company, its management team and shareholders, a sense of urgency and access to additional capital to pursue growth, Littman explains.

“Lots of companies aren't good candidates for public markets but are good candidates for equity capital,” says Stewart Kohl, co-CEO of The Riverside Company, which focuses on the smaller end of the middle market (valued under \$150 million). Last year, Riverside

completed 31 transactions.

Steve Rosen, co-CEO and co-founder of Resilience Capital Partners, says the number of opportunities presented to the firm has increased 30 percent each of the last six months.

Resilience, which focuses on middle market and lower middle market companies in underperforming and turnaround situations, expects to complete a similar number of deals this year as it did in 2007 and 2008, Rosen says.

ACCESS TO CAPITAL

While availability of capital in the current storm is limited, private equity-backed companies continue to have access to equity capital to drive growth and provide additional liquidity to weather difficult conditions, Littman says.

“Private equity firms generally invest from a committed pool of capital from a group of stable investors. This access to equity capital increases a company's ability to raise debt capital,” Littman says. “Debt providers are willing to extend credit to these companies, in part because they recognize the value private equity investors bring to a company.”

continued on S-10

“The most powerful weapon is to have the next move.”

- David Bronstein

Calfee congratulates all of the ACG Award Winners on their accomplishment.



Mergers and acquisitions can be complex. But through our sizeable practice group, years of experience, and appreciation that each client's transaction is unique, Calfee provides legal advice and expertise that is practical and cost-effective. Calfee - move forward with confidence.

Calfee, Halter & Griswold LLP

CLEVELAND - 216.622.8200 | WWW.CALFEE.COM | COLUMBUS - 614.621.1500

1400 KeyBank Center, 800 Superior Avenue, Cleveland, Ohio 44114

1100 Fifth Third Center, 21 East State Street, Columbus, Ohio 43215

CALFEE

ACG
Special Section


wise
group
smart custom
communications

This special advertising section is created by Wise Group which is responsible for all of its editorial content, design and advertising sales.

We help organizations communicate with their audience by creating engaging communication pieces.

For information on special sections, contact Tammy Wise at 216.523.1212 x11 or tammy@wisegroup.com



Private equity can offer safe port in storm

continued from S-8

Kohl says traditional lenders see companies with private equity investment as less uncertain. "The lender appreciates the safer loan, the deeper pockets," he says.

Rosen says borrowers and lenders have a gun to each other's head in this environment. Banks have underperforming loans and need to turn them around just as companies need to turn themselves around.

"This is a new opportunity for us—keep the incumbent lender

in place and put together a plan where a nonperforming loan becomes a performing loan with new management and new equity," Rosen says. "It's difficult to completely replace existing lenders with new lenders."

Although now may not be the ideal time to get the highest price when selling a stake in the company, some businesses are finding that a cash infusion is needed to open opportunities, Kohl says.

Perhaps a company seeks to grow and expand and needs money to buy new equipment, make an acquisition, or handle a new customer. Other companies may look to private equity because the owners want to recapitalize and figure selling a 60 to 80 percent stake now will make their remaining 20 to 40 percent stake worth quite a bit more down the road, Kohl explains.

"These difficult times make it much more expensive to get debt,

but this may be exactly the time you need it," he says.

TOUGH GET GOING

Littman says companies that are able and willing to take chances, stay focused on the customer, continue to invest in people and pursue opportunities are the ones that enhance their market positions.

He says private equity firms can help companies accomplish that because they typically have internal

operating expertise and access to extensive external resources.

Kohl says that intellectual capital is as important as the financial capital. "We bring a broad base of business experiences," he says. "We have worked with many industries in many different cycles."

Kohl says these experts can help create or refine a strategy and identify ways for operations to be more efficient, serving as a development arm for the business

Opportunities come and go quickly. It's good to have a bank that sees them coming from miles away.



COMMERCIAL FINANCING

STRATEGIC ADVICE

MANAGING CASH

RAISING CAPITAL

Given the demands of running a company, it's understandable when great opportunities pass unnoticed. Unless you have a bank that's committed to capturing them. At KeyBank, that means maintaining a steady focus on the ever-changing dynamics that define your industry and market. Coupled with our years of experience, this commitment enables KeyBank to help recognize the most promising opportunities. And allows you to look ahead with confidence.

To learn more, call Alan Zang, KeyBank Middle Market Executive, at 216-828-7635 or visit key.com/commercial.

Commercial Banking

KeyBank


Commercial Financing subject to credit approval.
 KeyBank is Member FDIC. ©2008 KeyCorp

ACG CLEVELAND 2008-2009 OFFICERS & DIRECTORS

OFFICERS

President

Thomas P. Freeman
Grant Thornton

President-Elect

Patrick Gallagher
Edward Howard

Executive Vice President

Randy Markey
Capital Acceleration Partners

V.P., Programs

Timothy G. Healy
Linsalata Capital Partners

Sean McCauley
National City Business Credit

V.P., Golf

Rudy Bentlage
Chase Business Credit

Terry R. Lardakis
Millisor & Nobil Co.

Jeffrey W. Leonard
Roetzel & Andress

V.P., Special Programs

Daniel G. Berick
Squire, Sanders & Dempsey, LLP

Eric M. Kuhen
Marsh

Scott Seelbach
Primus Capital Funds

V.P., Deal Maker Awards
 Murad A. Beg
Linsalata Capital Partners

Howard M. Feldenkris
Hy-Ko Products

Rachel L. Rawson
Jones Day

Henry E. Seibert
Spieth, Bell, McCurdy & Newell

Executive Vice President

Theodore Wagner
Libman, Goldstine, Kopperman & Wolf

V.P., Membership

Daniel P. Filippi
R.R. Donnelley & Sons

Martin S. Gates
Calfee, Halter & Griswold

Peter J. Shipley
Resources Global Professionals

V.P., Nominations

Mathew J. Hanson
Emprise Partners

V.P., Public Relations

Patrick Gallagher
Edward Howard

V.P., ACG Cup

Douglas K. Winget
National City Business Credit

V.P., Sponsorships

Joseph F. Maslowski
Roetzel & Andress

V.P., Corporate

Moses R. Jhirad
National City Bank

Donald W. Majcher
Ohio Aerospace Institute

V.P., Great Lakes Capital Connection

James M. Hill
Benesch, Friedlander, Coplan & Aronoff, LLP

James P. Marra
Blue Point Capital Partners

Al Melchiorre
MelCap Partners

Treasurer

Theodore Wagner
Libman, Goldstine, Kopperman & Wolf

Secretary

M. Joan McCarthy
MJM Services

DIRECTORS

Michael L. Boeckman
 Howard M. Feldenkris

Guy C. Fabe
 James P. Marra

Joseph Maslowski
 Wendy S. Neal

that it may not be able to afford otherwise.

Bassem Mansour, co-CEO of Resilience Capital Partners, says being an operationally oriented private equity firm with experience in running companies is helpful. "We think that's a critical ingredient to bring to the table, particularly in this economy," he says.

Littman says these private equity firm resources focus on recruitment of talent, implementation of "lean" principles, working capital management, strategic planning, acquisitions and organic growth initiatives.

"Private equity firms are experienced at taking measured and calculated risks, which can assist a company in seizing opportunities in difficult times," Littman says.

Kohl adds, "When properly structured, there is a near-perfect alignment of interests between the private equity firm and the funded company."

SURVIVAL BY ACQUISITION

Private equity firms have found success in building companies through strategic acquisitions. These acquisitions can provide significant benefits, including adding management talent, expanding the geographic presence, broadening product offerings, expanding the customer base, increasing market share, and developing new sources of raw materials.

Last year, Littman relates, Kirtland Capital provided the

capital and deal expertise to assist its portfolio company, Smart Source Computer and Audio Visual Rentals, in completing two strategic acquisitions in a difficult M&A market. The acquisitions expanded the company's geographic reach and improved its market position.

"During challenging times, many firms do not have the capital, experience or people resources to survive, let alone flourish," Littman says. "These times provide a chance for well capitalized and externally focused companies to make opportunistic acquisitions on attractive terms. A private equity firm that brings access to capital and deal experience can greatly increase a company's ability to grow through acquisition."

DEALS TO DO

With more than \$3 trillion in the global private equity market, most PE firms still have capital to invest. However, that does not mean it's easier to get private equity investments.

"We don't want to be fooled into thinking a frog is a prince," Rosen says, explaining Resilience's conservative approach to underwriting new opportunities.

"Our overall mantra is to be patient," Mansour says. "We're taking a measured approach to everything."

But private equity firms do agree that the opportunities are still out there and will be for years. "Private equity is not going away," Kohl says. ■



There's no place like home.

**With 18 offices around the world,
we are proud to call Cleveland our home.**



ACG Cleveland 2009
Deal Maker
★award
WINNER

Please contact Scott Gilbertson at
sgilbertson@riversidecompany.com or
216.344.1040 to learn how Riverside has been
investing in and growing companies with
\$1MM – \$15MM in EBITDA for over 20 years.

Terminal Tower
50 Public Square
29th Floor
Cleveland, OH 44113

ATLANTA BRUSSELS BUDAPEST CHICAGO CLEVELAND DALLAS EINDHOVEN HONG KONG LOS ANGELES
MADRID MUNICH NEW YORK PRAGUE SAN FRANCISCO SEOUL STOCKHOLM TOKYO WARSAW

The Association for Corporate Growth congratulates the winners of the 13th Annual Deal Maker Awards

ACG Cleveland

216-696-8484
216-696-2582 [fax]
1120 Chester Avenue, #470
Cleveland OH 44114

www.acg.org
admin@acgcleveland.org

Private Equity Firm

Resilience Capital Partners
The Riverside Company

Lifetime Achievement

David Morgenthaler

Corporate

PartsSource, LLC
Whole Health
Management

SPONSORS >

BENESCH
Friedlander Coplan & Aronoff LLP
Attorneys at Law

Grant Thornton

KeyBanc
Capital Markets

MARSH
MARSH MERCER KROLL
GUY CARPENTER OLIVER WYMAN

National City

RR DONNELLEY