



TROVARE
CAPITAL GROUPSM

**Trovare Capital Group
Brochure**

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About The Company

The partners and professionals of Trovare Capital Group bring together a successful track record both as investors and in buying, operating, selling, advising and arranging financing for middle market companies across various industry sectors. Our firm is divided into two primary practice areas: (1) Private Equity and (2) Corporate Advisory Services.

Collectively we have invested in companies ranging from early stage venture investments to acquisitions of established businesses. The performance of these investments, accomplished during an increasingly competitive period and under various market and economic conditions, has consistently exceeded client and investor expectations.

Trovare's partners are active and involved directors who work at all times to bring the firm's expertise and resources to bear in support of management and its efforts to create and build value. Trovare is committed to the highest standards of integrity and to building close and lasting relationships with its management and corporate partners.

Our collective investment record is matched by extensive experience in providing financial advice on mergers, acquisitions and restructurings to middle market companies. In a variety of markets, the firm's principals have demonstrated the ability to evaluate a company's business prospects and to make difficult judgments on value and pricing. We have engineered successful strategies to execute long-term acquisition and divestiture plans and have raised money in complex capital market transactions. This combination of investment, operating and advisory experience enables the firm to design creative approaches to its portfolio companies' financing needs and to develop and execute effective exit strategies.

I. Private Equity Group

I.1. Who We Are

Trovare Private Equity was created to focus exclusively on making private equity investments in middle market companies in partnership with management across a broad spectrum of opportunities throughout the United States. Trovare sponsors investments in management buyouts, recapitalizations, and growth financings, as well as in distressed companies via restructurings and recapitalizations. Through disciplined and diligent investment selection, active involvement with its portfolio companies, and reliance on the operating skills of its management partners, Trovare expects to achieve superior rates of return.

In most of its investments, Trovare is the lead equity investor and has a controlling interest in the portfolio company though we will consider minority investments where we can obtain adequate shareholder rights. Trovare is dedicated to executing well-structured investments that minimize risk while providing superior returns to all investors. In all cases, its role will be that of an owner and active member of the board of directors.

Trovare specializes in management buyouts. Trovare's investing activities are made on behalf of itself and its investors. As the general partner of the Trovare Funds, we make our money just as our investors do, by the increased value over time of our stake in the Funds' investments. We have a significant portion of our personal assets committed to these investments, and we share the risks of ownership.

Trovare's capital may be used to provide full or partial liquidity to entrepreneurs, family members, passive investors or corporate owners. Alternatively, its investment may take the form of a capital infusion to a company seeking to finance growth or to consummate an acquisition.

Trovare pursues investments in which the firm brings more than just money. Our experienced investment team leverages Trovare's resources, experience and franchise to the benefit of smaller portfolio companies. Trovare's investment professionals provide a sophisticated investment approach designed to support management's vision for growth and value creation. Trovare is engineered to meet the unique needs of entrepreneurially-led growth companies as well as the needs of companies in the midst of a distress situation.

Trovare endeavors to be a leader in the private equity community. Our goal as an institution is to be the vehicle by which our partners deploy capital and achieve superior returns on investment that exceed those earned through the public stock markets, as measured by the various mid- and small-cap indexes. The keys to our successes include: the patience to remain focused and invest wisely; the proactivity that enables us to maximize our investment portfolio's value; and the creativity to see the hidden value that others do not see.

Trovare's capital is provided by a select number of sophisticated private and institutional investors. The principals of Trovare have also committed a substantial amount of their own capital to each Fund.

I.2. Our Principles

Trovare operates as an investment firm, not as a conglomerate or a holding company. Each company in our portfolio is independently managed and financed. Each has its own board of directors, which includes Trovare representatives. There are no cross-holdings and cash flow from one company cannot be used in another company.

We are "involved," patient investors, not traders. The average time period we own a company varies, though some investments have exceeded ten years. We take a long-term view of a company's

performance. We are less concerned with quarter-to-quarter results, but rather focus on cash flow and look at results over a number of years.

Management is our partner in creating value. Our portfolio company managers have a significant personal investment in their companies because we believe strongly that the best managers think like owners.

We want our portfolio companies to invest for future competitiveness. We encourage them to take a long-term perspective; to maintain their business focus; to manage the balance sheet as well as the income statement; to make strategic acquisitions; to motivate a wide range of employees by giving them a stake in the business; and to build for the future through prudent capital investment, research and development spending, and new product marketing.

I.3. A Time-Tested Approach to Building Value

Trovare's goal since its founding has been to achieve high rates of return for the Trovare Funds by investing capital for long-term appreciation. More than the size, number or even diversity of transactions, Trovare's hallmark has always been the creative ability to see the hidden value that others do not see. In addition, Trovare's willingness and ability to seize opportunities quickly, remain flexible, and to continually and successfully adapt to changing market conditions have been key components of success.

The diverse nature of its investments over time reflects this versatility. Trovare has executed management buyouts of mature companies; taken leveraged "build-ups" from having no assets at all into a significant market player; made acquisitions in traditional growth industries; created stand-alone, independent companies from larger corporate parents; and made equity infusions to restructure highly leveraged companies, setting new standards for creativity, innovation, and flexibility in the process.

But for all that has changed throughout Trovare's history, several things have remained constant. Among them are Trovare's core investment principles, the bedrock of the firm's success. Embedded in these principles is Trovare's long-standing recognition that the closing of an acquisition is only the beginning of the process of delivering value. For Trovare, success in private equity investing depends not only on identifying and consummating acquisitions, but also cultivating and nurturing them.

Behind the scenes is a careful, painstaking, and well-honed methodology for identifying investment opportunities. And, as important, after a deal is done and the headlines are gone, Trovare embarks on years of diligent work along with the managements of its portfolio companies to realize the full potential of its acquisitions.

II. Building Value

II.1. Deal Origination

Since its founding, Trovare has developed a unique set of skills and resources that position the firm to identify opportunities and consummate transactions on behalf of itself and its investors. Chief among them are a reputation as a serious and capable buyer and a formidable network of relationships throughout the investment and business communities. Together with Trovare's track record, these attributes ensure that Trovare gets a good look at many excellent opportunities in the market.

Trovare evaluates dozens of potential investments each year. Once an opportunity has been identified, we employ a number of strategies to secure a transaction. Whenever possible, Trovare works with companies and managers on an exclusive basis to develop transactions, as it has done with several of its portfolio companies. A less preferred route is the auction process, which, despite the drawbacks of competitive bidding, can lead to major successes.

Critical to consummating investments is Trovare's ability to move quickly and decisively to analyze and assess potential investments. Trovare has developed unique capabilities for conducting due diligence, combining its strengths with an extremely effective legal and accounting support team. Management teams at existing Trovare companies often provide pivotal assistance by lending their expertise and judgment in identifying and assessing opportunities. Together, these capabilities enable Trovare to analyze significant, multi-faceted, multi-million dollar enterprises that few others would be able to review adequately.

II.2. Structuring and Financing Transactions

Trovare's creativity in structuring transactions can unlock value and place the firm at a competitive advantage in bidding for a target. When appropriate, Trovare has also negotiated into its deal structures substantial downside protection for its investors in the event of adverse developments or changing market conditions.

Trovare's transactional capabilities are enhanced by its experience in the capital markets. Throughout its history, Trovare has been able, regardless of prevailing market conditions or available financing sources, to engineer substantial and advantageous financings. Few middle market buyout groups have more experience raising bank debt, high-yield debt or equity in the marketplace, and because of the scope of its activities, Trovare has typically been able to receive the best possible financing terms. It is also the recipient of many innovative ideas, both new and proven, from financing sources.

II.3. Overseeing Portfolio Companies

Since its inception, Trovare's involvement in helping its companies enhance shareholder value has become widely appreciated, and the manner in which Trovare executives fulfill their roles as active directors has been viewed as a model of an effective balance. The expertise Trovare brings to its portfolio companies includes, but is not limited to, the following.

Attracting Strong Management - Trovare believes that each company should be run by the best professional managers available – individuals whose full time and attention are focused on creating value from a given business. In most situations, a strong operating management comes with the acquisition and is a principal reason for Trovare's interest in the investment. However, when it has become necessary to supplement management, Trovare's relationships and operating experience enable the firm to attract the highest caliber of manager for its portfolio companies.

Management and Employee Incentivization - In addition to attracting talented executives, Trovare is a creative innovator in its work to structure management incentives and compensation plans that align the interests of management and shareholders. A requirement of engagement for all managers of Trovare companies is that they make a significant investment in their businesses, sharing directly in both the rewards and risks of equity ownership. Incentive plans within Trovare's portfolio companies have begun to evolve and extend incentives as broadly as possible throughout these organizations.

Pursuing Acquisitions and Divestitures - Trovare's portfolio companies are opportunistic in both buying and selling businesses. Trovare serves as an important catalyst, offering an array of contacts as well as its own experience in executing transactions. The acquisitions and dispositions of Trovare portfolio companies enable these organizations to expand and solidify market positions, better focus their businesses, and increase their financial and operational flexibility.

Helping Portfolio Companies Arrange Financings - Trovare continually seeks to optimize the capital structure of each portfolio company, taking advantage of opportunities in the capital markets to obtain lower cost funds or added flexibility. With Trovare's assistance, nearly every one of its portfolio companies has been able to access efficient sources of capital over time. Most have done so on a number of occasions, substantially improving their financial structures.

Providing Effective Oversight - The core oversight role that Trovare plays on a day-to-day basis through its position on the Boards of Directors of its portfolio companies is vitally important. Trovare works closely with each management team to put into place a rigorous infrastructure to monitor corporate results on a consistent and continual basis. The objective is to instill a discipline that translates into predictable and superior performance. Trovare executives are involved in and knowledgeable about all aspects of a company's business, continually reviewing budgets and providing input on broader strategic planning efforts and detailed financial forecasts. An important focus for Trovare executives is cash management; Trovare often plays a central role in helping portfolio companies determine how they can operate most efficiently and best find and channel resources to serve specific strategic objectives. Over the course of an investment, difficult situations may arise. Trovare's willingness to face such situations head-on and play an active role in their resolution often preserves shareholder value and the long-term positioning of the company.

Maximizing Value When Exiting Investments - The duration of the average Trovare investment is typically three to seven years, with the firm's exit strategy being the final step in generating value. Trovare seeks to maximize the value it can obtain through its exit strategy by carefully selecting the timing and method of sale.

II.4. Building Value: Conclusion

Taken together, it is the experience, creativity, and resources that Trovare brings to bear on all aspects of its activities that set the firm apart – from transaction origination to acquisition financing, to the oversight and stewardship of its investments and, finally, the formulation and execution of its strategy for realizing the value created. Trovare is proud that its capabilities in each of these areas continues to develop and improve.

III. Investment Approach & Size

III. I. Investment Approach

Trovare's approach to investing is guided by a belief in focusing on certain proven core competencies, among them:

Rigorous Due Diligence

Trovare is known throughout the financial community for the rigor of its due diligence process in everything it does. Senior members of the firm participate in Trovare's investment committees, chaired by the firm's President and CEO, in which every investment made by any of the firm's investment businesses is reviewed regularly and subjected to rigorous analysis and discussion.

Disciplined, Value-Oriented Investment Approach

Trovare's analysis of any investment opportunity is underpinned by rigorous due diligence and an intensely analytical focus on value. Trovare believes that this disciplined, value-oriented approach will always serve investors well in the pursuit of investment opportunities, even in an environment which may have flat or contracting valuation multiples over the holding period of an investment.

Focus on Out-of-Favor/Under-Appreciated Assets Industries

Trovare does not base investment decisions on swings in conventional wisdom about the attractiveness of assets and industries. The firm will invest in good companies even when the industry may be perceived to be out-of-favor with the markets.

Recognizing Value

Trovare's strength lies in finding and recognizing hidden value that others do not see and structuring transactions creatively to extract and realize that value. The firm evaluates a substantial number of investments each year, but pursues only a small percentage, representing the highest potential opportunities.

Execution

Trovare creates value over time, through a combination of superior strategy and execution, coupled with an effective partnership among a company's owners, managers and employees.

Relationships

Trovare provides a strong network of value-adding relationships across various industries. The firm achieves this through cooperative relationships with major commercial banks and financial institutions, and through various corporate contacts. Significant equity ownership by management is critical to establishing common objectives and creating value.

Corporate Partnerships

Trovare believes that it has a distinct competitive advantage in partnering with leading companies around the country to invest in attractive situations. The firm has a strong market presence in working with corporate partners to help them achieve strategic and financial objectives, such as joint acquisitions, asset monetization, compliance with regulatory requirements, and growth capital. This expertise has allowed Trovare to generate attractive, proprietary deal flow for its investors and to secure ongoing operating, financial, and other advantages provided by industry-leading corporate partners.

A Commitment to Active Portfolio Management

The Private Equity Group takes an active role in monitoring and supporting enhancement of equity value for its portfolio company investments. In recognition of the importance of initiating and supporting post-acquisition programs to enhance portfolio company value, the Group has a dedicated Senior Officer who is responsible for monitoring the strategic, operational, and financial performance of Trovare's portfolio investments. All Private Equity professionals participate in regular portfolio company reviews utilizing

key operating and financial performance metrics reported on Trovare's Private Equity Financial Reporting System and Operational Dashboards.

The Private Equity Group also engages former successful CEOs to act as senior operating advisors and board members assisting senior management in achieving their operational objectives. The Group holds an annual CEO Summit to share best practices, and facilitate dialogue on the challenges facing portfolio company senior management teams. In addition, the Group leverages the considerable scale of its collective investments by seeking to support and achieve productivity gains in purchasing and other functional areas for the benefit of individual portfolio companies.

III.2. Investment Size

- Target investment size for initial equity investments is between \$2 million and \$50 million with total enterprise values between \$10 and \$100 million. However, larger and smaller transactions are considered on an opportunistic basis.
- Revenues of at least \$10 million with an organic growth rate (excluding acquisitions) of at least 10%.
- Current EBITDA of at least \$1 million with positive cash flow for the last three years

Trovare has been a leader in structuring complex transactions, and has the expertise and relationships to add value in the years following investment. North America is our primary market, although the firm is considering investments in Latin America and emerging European markets.

IV. Investment Types

Trovare sponsors investments in management buyouts, growth financings, private restructurings and recapitalizations, minority capital infusions, joint ventures and private placements in publicly-traded companies. The firm has invested in a diverse array of industries including, business services, information technology, manufacturing, wholesale durable goods, lodging, entertainment, energy.

Trovare invests in companies which exhibit committed and experienced management teams focused on growing their company to the next level, as well as market leadership in its niche, with distinct and defensible competitive advantages.

IV.1. Management Buyouts

Trovare seeks to work with non-owner management teams of growth-oriented companies. Utilizing our significant experience from partnering with entrepreneurs, Trovare complements our management partners through an active Board of Directors role. To ensure the alignment of rewards and risks between management and Trovare, various incentive plans are put in place at the closing of any transaction, including stock option plans, performance-based bonus plans and loans to management to purchase stock alongside Trovare.

With common goals, Trovare works together with its management partners to successfully execute growth plans and create shareholder value.

IV.2. Private Company Recapitalization

Trovare is an experienced sponsor of and investor in private company recapitalizations.

What is a Private Company recapitalization? A private company recapitalization is a partial sale of a private company. In addition to receiving a significant amount of cash at closing, the shareholders retain substantial equity ownership and continued responsibility for running the company. To complete the recapitalization, Trovare invests the equity and arranges the most attractive debt financing available in an amount that will allow the company to continue to grow without undue financial risk.

Following the recapitalization, some or all of the old shareholders and Trovare – the new financial partner - would still privately hold the company. Together they continue to grow the business, with Trovare lending assistance on financial, strategic and M&A issues. Then, at the appropriate time the company could go public, be sold privately or undertake another recapitalization. This structure gives the shareholders a "second bite at the apple" which, if all goes well, could be even bigger than the first.

The Mechanics of a Recapitalization

In this example:

- Company XYZ is worth \$100 million
- The management team and Trovare are comfortable running the business with \$50 million of debt
- An agreement is reached to sell 70% of the equity in recapitalized Company XYZ to Trovare, and allow the management team to reinvest 30% of the equity on a tax-free basis.

The shareholders would receive \$85 million in cash and keep a tax-free 30% ownership position in Company XYZ. The \$85 million could be shared equally among all shareholders or some shareholders could be cashed out entirely, with ongoing management receiving more stock.

Sources of Funds

Debt	\$ 50.00
Trovare Equity	\$ 35.00
Shareholder Retained Equity Value	\$ 15.00
<hr/>	
Total	\$100.00

Use of Funds

Cash to Shareholders	\$ 85.00
Shareholder Retained Equity Value	\$ 15.00
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Total	\$100.00

Ongoing Ownership

Trovare	\$ 35.00	70.0% Ownership
Shareholders Reinvestment	\$ 15.00	30.0% Ownership
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Total Equity	\$ 50.00	

Therefore, the owners received 85% of the Company's value in cash up-front and still retained a 30% ownership.

Recapitalization vs. Outright Sale or IPO

- An outright sale would result in the shareholders receiving the full \$100 million – but no ongoing ownership.
- An IPO, if possible, would raise money for the Company, perhaps at a higher valuation than a private transaction, and would dilute shareholders' ownership, but the Company's shareholders would typically not be allowed to receive any cash proceeds at the time of the IPO.

IV.3. Distressed Company Investments

Investing in distressed companies is of particular interest to Trovare and we have a proven ability to navigate the complex challenges inherent in distressed company investments.

We have experience working with debtors counsel, secured lenders, unsecured creditors, assignees, and bankruptcy trustees. We have demonstrated the ability to determine value, move quickly, and consummate transactions in this arena whether before a bankruptcy filing, during the bankruptcy period, or after exiting from bankruptcy. Our experience includes pre-filing investments, DIP financing and investments, and court-ordered Section 363 sales.

Trovare's Corporate Advisory Services Group also has strong relationships in the "distressed" finance community that enable us to close transactions in a timely manner.

IV.4. Growth Financing Investments

Successfully investing in high growth companies involves a different set of investment disciplines and judgments and demands different post-closing strategies and operating techniques than buyouts of more mature companies with lower growth prospects. Growth investments may also be smaller in overall size

yet require substantially more initial equity and demand a longer investment horizon on the part of the investor.

Entrepreneurial owners of growth-oriented, middle-market companies, who typically retain a significant ownership position, will be highly focused on their relationship with and the track record of their prospective partner. Through its experience in partnering with management teams of growth-oriented companies and contributing to their success, Trovare is uniquely positioned to provide additional value through its on-going interaction with management.

Corporate Advisory Services Group

I.1. Overview

Trovare provides full transaction execution capability across diverse industries, including acquisitions, mergers, joint ventures, minority investments, asset swaps, divestitures, takeover defenses, distressed sales and financing, from strategic and financial investors. Additionally, Trovare offers a **corporate finance advisory service**, which can give clients valuable insights and assistance during a financing process and result in a financing transaction with lower costs and greater certainty of closure.

Trovare's Corporate Advisory Services Group is a leading financial and M&A advisor. Through 19 years of evolution and many changes in market business practices, Trovare has remained loyal to the following core beliefs about how best to advise and serve its clients.

Absolute Confidentiality, Trust and Integrity

Trovare prides itself on its absolute client confidentiality and on always doing what is best for our clients.

Relationship Focus

Trovare focuses on a limited number of clients, and every assignment is considered very important.

Absence of Conflicts of Interests

Trovare is not engaged in securities underwriting, trading, research or the numerous other businesses conducted by investment banks and commercial banks. Trovare's focus is not on market share or being all things to all people.

Senior-Level Attention

Trovare's hallmark in serving clients is its consistent and active senior-level attention on every assignment.

II. Unique Approach

II.I. Unique Approach to Advisory Assignments

Long-Term Strategic Planning

In addition to providing traditional investment banking services, Trovare is focused on helping solve long-term strategic issues for its clients, often incorporating aspects of strategic consulting into advisory assignments.

Unique Perspectives on Value Creation

Trovare's knowledge as a firm reflects experience not only as a financial and strategic advisor, but also business owners and as principal investors making private equity and debt investments in corporate and real estate assets with subsequent recapitalizations and/or divestments through private sales. Trovare's ability to view client assignments from both advisory and investor perspectives often provides unique insights into how best to maximize value while also achieving clients' non-financial objectives.

Ability to Navigate through Difficult Financial Environments

Trovare's experience in operating and advising distressed companies in and out of bankruptcy provides its corporate advisory practice with the knowledge and experience to successfully execute transactions in the most challenging financial environments.

Creative Solutions for Complex Issues

Trovare has experience structuring and negotiating transactions to meet clients' strategic and financial objectives. In a number of situations, Trovare has helped to develop proprietary transaction structures that are tax-efficient and value enhancing.

III. Expertise

Product Expertise Areas

III.1. Mergers & Acquisitions

III.1.1. Private Company Transaction Experience

Trovare has significant experience providing financial advice to numerous owners and owner-managers of private companies in order to execute strategic alternatives, including financings, M&A transactions, and governance initiatives. Trovare combines its familiarity with private company dynamics and its extensive deal structuring experience to provide specific private company advice. In addition to advising Trovare Capital Group's portfolio companies on M&A transactions, Trovare advises other private equity firms and independent private companies.

Selected Recent Transactions:

Advised Service Pallet, Inc. on its management buyout.

To speak with a professional in the Corporate Advisory Services Group about a potential private company transaction, please call (847)-382-3870 or e-mail to advisory@trovarecapital.com.

III.1.2. Exclusive Sales Expertise

Trovare's Corporate Advisory Services Group fully utilizes the firm's experience as both advisors and principal investors in executing exclusive sale assignments for its clients. Our principal investor perspective results in unique insights on how to best maximize value in the sale of a company. Trovare's ability to successfully execute exclusive sales is enhanced by its privileged access to CEO-level decision makers throughout the U.S. and Europe.

Selected Recent Transactions: Advised XYZ Co. on its sale to xxx

To speak with a professional in the Corporate Advisory Services Group about a potential exclusive private company sale transaction, please call (847)-382-3870 or e-mail to m&a@trovarecapital.com

III.2. Restructuring And Reorganization Advisory Services

III.2.1. Overview

Trovare's Restructuring and Reorganization Advisory Services group is a seasoned advisor to companies as well as creditors in complex restructurings and bankruptcies.

The group has advised companies and creditors in dozens of distressed situations, both in and out of bankruptcy proceedings. The group's clients include companies, creditors, corporate parents and financial sponsors, as well as acquirers of troubled assets. Working in a variety of major restructuring assignments, the group is seasoned and experienced in a field where high quality advice is often the most critical factor in maximizing client value. The group's senior professionals have well in excess of 25 years of combined experience in restructuring assignments.

III.2.2. Approach To Assignments

Senior Level Client Focus

Senior-level attention, absolute confidentiality, and complete trust are critical ingredients in the Trovare

approach, where the firm works closely with the company's management team and Board of Directors. Trovare Senior Managing Directors are actively engaged in every restructuring assignment.

Value Maximization

Maximization of value is accomplished via detailed analysis, thoughtful advice with respect to business and restructuring alternatives, the ability to drive a transaction to its conclusion, and most importantly, it draws on the deep experience of the team.

Swift Resolution

Since experience shows that value can be enhanced through quick resolution, the primary goal is to drive a restructuring to a consensual resolution without the expense and delay of major litigation. Trovare's expertise in restructuring assignments allows it to drill down quickly to key issues facing each constituency.

Get in Early To Increase Flexibility

To be fully effective, it is best if Trovare is involved before a bankruptcy filing becomes inevitable. The earlier Trovare becomes involved, the higher the probability that a company can complete an out-of-court refinancing or restructuring and the greater the number of options that remain available.

III.2.3. Restructuring Skills

Financial Acumen

Trovare's expertise in corporate finance and business strategy attracts clients from both sides of the negotiating table. Companies and creditors alike appreciate Trovare's thoroughness in helping to develop and analyze strategic business plans, financial forecasts, and restructuring alternatives as well as the ability to create innovative approaches to bring efficient resolution to restructuring assignments.

Negotiating Strength

Trovare has a superior record of bringing disparate parties together in multi-party negotiations. The firm's reputation allows it to negotiate restructuring agreements that satisfy the needs of all parties in large, complex assignments.

Expertise in Raising Capital and Corporate Advisory Services

Trovare brings a range of additional talents and relationships to the table when either a new equity investment or a merger/sale is the ultimate conclusion of a reorganization strategy. The firm maintains strong relationships with financial and industry buyers, including distressed-debt investors. These relationships are enhanced through contacts maintained by professionals in the Corporate Advisory Services and Private Equity groups.

Understanding Legal Issues

Trovare's restructuring specialists have a comprehensive understanding of Chapter 11 bankruptcy processes, and a proven ability to work within its guidelines to maximize value for clients. Trovare professionals also have extensive experience providing expert witness testimony.

To speak with a professional in the Restructuring and Reorganization Advisory Services Group about a potential engagement, please call (847)-382-3870 or e-mail to restructure@trovarecapital.com

III.3. Distressed M&A Expertise

Trovare has significant experience providing advisory services to distressed companies, often in collaboration with Trovare's Restructuring and Reorganization Group, one of the most experienced restructuring groups in the market. Trovare has advised debtors, strategic acquirers, secured lenders and unsecured creditors. Trovare's Corporate Advisory Services Group also has strong relationships in the "distressed" finance community.

Selected Recent Transactions:

Advised CSI and primary creditor Citibank on avoiding bankruptcy and mitigating loan write-offs via

A/R collection.

To speak with a professional in the Corporate Advisory Services Group about a potential distressed M&A transaction, please call (847)-382-3870 or e-mail to distressed@trovarecapital.com

Trovare Mezzanine Advisors

Trovare invests in securities that fill the financing gap between senior bank debt and common equity. Mezzanine investments are generally structured as subordinated debt or preferred stock with a current cash coupon and an equity participation feature, usually in the form of warrants.

Trovare seeks to capitalize on several key trends. The increasing buyout activity of middle market companies, combined with their inability to access the high yield market due to high minimum size requirements, created the need for flexible, private mezzanine capital in the \$20 million to \$100 million range. This increasing demand, combined with the shortage of supply of private mezzanine capital, created attractive potential for a portfolio of diversified mezzanine investments.

Utilize Disciplined, Credit-Intensive Approach

A hallmark of Trovare's investment program is its disciplined and conservative approach to due diligence and credit analysis. Trovare adheres to several key underwriting principles, utilizing a comprehensive list of criteria for analyzing and structuring potential mezzanine investments. This focus on due diligence and credit worthiness, combined with prudent use of leverage, enhances our ability to achieve our investment objectives.

Capitalize on Diverse Industry Experience

Trovare investment professionals have made and evaluated investments across a diverse range of industries, including general industrial, defense and aerospace, retail, telecommunications, information technology, healthcare and distribution industries. Trovare augments its extensive industry expertise with resources available through Trovare's network of Private Equity, Corporate Advisory Services, Real Estate Investing, and Restructuring & Reorganization businesses.

Partner with Experienced Financial Sponsors

Trovare seeks to partner with experienced equity sponsors and management teams with a proven track record. As a debt investor with an equity stake, Trovare aligns itself with the best interests of the issuer.

Utilize Single Deal Teams to Maintain Consistency

To maintain consistency with issuers and equity sponsors, Trovare utilizes the same team to underwrite and monitor transactions. This fosters strong continuing relationships with both sponsors and operating management. Post-closing, Trovare professionals engage in ongoing credit review and maintain a continuous dialogue with both the management team and the equity sponsor, creating an ability to react quickly to an issuer's needs over time.

Trovare Advantages

Substantial Capital Resources

With over \$1.1 billion in committed capital, Trovare has the ability to commit to the largest mezzanine transactions. Trovare can serve as a single, lead mezzanine investor for transactions up to \$100 million in size, enhancing the speed of execution and promoting maximum post-closing flexibility. For issuers with growth capital needs, Trovare has the capability to provide incremental capital for additional financial flexibility.

Flexible Capital Solutions

Trovare offers a wide range of mezzanine investments to meet an issuer's unique needs, including senior and subordinated debt with warrants, acquisition lines, preferred stock and equity co-investments. Senior and subordinated debt structures are typically non-amortizing prior to maturity, providing the issuer with maximum financial flexibility. Partial pay-in-kind features can be structured to reduce equity dilution to the equity sponsor.

Streamlined Approval Process

Trovare maintains a streamlined commitment process that allows for speed and certainty of execution for mezzanine transactions, with no third-party approvals required.

Improved Market Receptivity to Blackstone-Supported Transactions

Blackstone maintains a reputation for being an active, value-added investor that can assist in strategic guidance, operational oversight and financial advice. Because of its reputation and track record, Blackstone-supported transactions often provide issuers with improved market receptivity in the senior debt and mezzanine markets.