



Who We Are

The Blackethouse Group is a team of leading executives, entrepreneurs and investors seeking to acquire and manage the daily operations of a service or niche manufacturing company in the lower middle market. We are searching for an established, profitable company that is ready to be taken to the next level of growth and operational excellence.

We can provide full or partial liquidity to current owner/managers seeking to retire or to reduce active involvement in daily operations. Following the transaction, our managing partner will relocate to the business to assume a full-time, daily operation position to grow the company and continue its legacy.

We maintain a long-term focus, and believe in business fundamentals: that clear mission, growth and operating best practices create exceptional value for customers, employees, owners, stakeholders and communities.



Company Criteria

The Blackethouse Group would like to speak with the owners of well-established, profitable companies that hold a sustainable competitive position in a growing industry. We are especially interested in speaking with founder- or family-owned companies needing liquidity, or retiring owner/operators that would like an energetic successor to continue their company's success.

We generally consider the following to be attractive criteria:

Industry

- Stable or growing markets with limited cyclicality
- High product or geographic fragmentation; no single dominant competitor
- Low to medium product or service technology (little risk of obsolescence)
- Attractive industry economics

Financial

- Revenues of \$5-40 million
- EBITDA of \$1-6 million
- Operating margins of at least 15%

Company

- Minimum 3-year history of profitable operations and positive cash flow
- A diverse customer base with high retention rates and recurring revenues
- Clear customer value proposition and defensible market position
- Growth potential or a leadership position in your industry

Management

- Owners seeking a full or partial exit, but willing to stay involved in the company during the ownership transition period
- Experienced, capable middle management and workforce
- Healthy labor relations but a non-unionized workforce

Message to Sellers



Andrew Grauer,
Managing Partner

We are a unique group of experienced executives and entrepreneurs passionate about taking good companies to the next level of growth and operating best practices. Our interest in your company differs from that of typical financial or strategic buyers: we want to provide full-time, on-site operational leadership to continue your business as a stand-alone entity. This makes us a good match for sellers that want to pass the torch to a like-minded buyer who does not see the company simply as an investment, but who will treat employees, customers and suppliers with the same care that you do.

We are looking to acquire the right opportunity at a fair value. We can be very flexible with our deal structure, and will take into account your estate planning, tax issues and lifestyle requirements as well as the capital needs of the company. Our prior experience with company transitions will enable us to minimize disruption to your organization, and we recognize the need to thoroughly learn your business and industry from the inside before we make significant changes. We hope you will help us learn during the ownership transition period, and we will invite you to continue to contribute to the company's future.

All communication will be held in the strictest confidence. We would enjoy speaking with you to explore what your company could achieve with The Blackethouse Group at the management helm.

Our Team

The Blackethouse Group brings unparalleled human capital to the table. Our executives, entrepreneurs and investors have decades of experience operating large and small businesses in a variety of industries. Collectively, we have managed dozens of company purchase transactions. We offer prospective sellers the opportunity to benefit from this experience, and prospective companies the opportunity to grow in value under the guidance and leadership of our outstanding management team.

Andrew J. Grauer— Managing Partner

Andrew Grauer is the founder and managing partner of The Blackethouse Group and is responsible for identifying a purchasable business, negotiating and structuring the transaction and assuming day-to-day operational control of the company once acquired. Prior to founding The Blackethouse Group, Mr. Grauer provided valuation services, market assessments and M&A advisory to privately-sourced clients in the lower middle market. Prior to consulting, Mr. Grauer worked in the Global Commercial Strategy division of GlaxoSmithKline. Prior to GlaxoSmithKline, Mr. Grauer led private sector development projects in the countries of the former Soviet Union for the U.S. government and other organizations. Over the course of his work abroad, he assisted dozens of entrepreneurial and newly privatized businesses in developing strategic plans and optimizing their operations in what remains a difficult business environment. Earlier in his career he was an area sales manager and an operations manager in the retail sector, and held management responsibility for over 80 employees.

Mr. Grauer holds a BA in history from The American University, an MA in international affairs with a major in international economics from The George Washington University and an MBA from Kenan-Flagler Business School at the University of North Carolina at Chapel Hill. He is proficient in Russian, a marathon runner and an award-winning Scottish highland bagpiper.

Craig Burr— Limited Partner

Craig Burr has devoted his career almost exclusively to venture capital and private equity activities, and he has backed numerous leading growth companies in a variety of different industries. Mr. Burr co-founded Burr, Egan, Deleage & Co., a private investment firm with over \$400 million under management. Previously, Mr. Burr was a partner at TA Associates. He has been a member of the Board of Directors of the New England Venture Capital Association and serves on the Boards of Directors of several private companies.

Mr. Burr received his BA, cum laude, from Harvard College and his MBA from Harvard Business School.

W. Robert Dahl— Limited Partner

Bob Dahl spent 7 years in The Carlyle Group as a managing director with responsibility for overseeing Carlyle investments in the healthcare business sector. During his tenure at Carlyle, he was involved in twelve healthcare investments representing approximately \$1.1 billion in invested equity. He served on the investment committee of Carlyle US buyout funds, including the \$7.9 billion CPIV and the \$3.9 billion CPIIL. He also served on the investment committee of the \$430 million Carlyle Mezzanine Partners. Prior to joining Carlyle, Mr. Dahl spent 13 years at Credit Suisse First Boston, most recently as managing director and co-head of their U.S. Healthcare Group. At the time, the healthcare group included 35 professionals and had revenues in excess of \$100 million. Mr. Dahl has extensive experience in acquiring and recapitalizing leveraged companies, having also worked in Credit Suisse First Boston's Leveraged Finance Group. Prior to business school, he was a CPA with Price Waterhouse.

Mr. Dahl received his BA from Middlebury College and an MBA from Harvard Business School, where he was a Baker Scholar and a Loeb Rhodes Fellow.

Dave Dodson— Limited Partner

Dave Dodson is currently a managing director of Headwaters MB, one of the largest independent middle market investment banks in the United States. He has been the CEO or chairman of six middle market companies and has acquired and/or sold 55 companies in that role. Mr. Dodson has also led multiple capital raises as CEO or chairman with a range of private equity firms, including TA Associates, Bain Capital, Housatonic Partners, the Centennial Funds, Alta Communications Partners and others. Prior to his entrepreneurial and private equity career, Mr. Dodson worked for McKinsey & Company.

Mr. Dodson currently serves as chairman of Wind River Management, Inc. and previously served as chairman of Worldbridge Broadband Services, Inc. as well as chairman & CEO of ADAP, Inc. and Smith Alarm, Inc. Mr. Dodson has served on the boards of 16 middle market companies in which he was also a private investor. In that capacity, Mr. Dodson has assisted numerous debt and equity raises as well as ten significant M&A transactions. Mr. Dodson holds a BA in economics from Stanford University and an MBA from Stanford University's Graduate School of Business.

William F. Duhamel— Limited Partner

Bill Duhamel is a managing member of Farallon Capital Management, a registered investment company that manages equity capital for college endowments, foundations and high net worth individuals. Before joining Farallon, Mr. Duhamel worked as the executive director of Telecab, the third largest Mexican cable television company. Prior to his tenure at Telecab, Mr. Duhamel owned and operated his own cable television company in the U.S. Previously, he worked at Bain & Company.

Mr. Duhamel graduated with honors and distinction from Stanford University with a BA in economics and operations research and was elected to Phi Beta Kappa. Mr. Duhamel received his MBA from Stanford

University's Graduate School of Business, where he was an Arjay Miller Scholar.

William Egan— Limited Partner

Bill Egan is a founder and general partner of Alta Communications, a private investment firm with over \$1 billion under management. Mr. Egan co-founded Alta's predecessor firm, Burr, Egan, Deleage & Co., in 1979 and has identified and backed several of America's leading growth companies in the information technology, life sciences, and communications industries. Prior to founding Burr, Egan, Deleage & Co., Mr. Egan was a partner at TA Associates. Mr. Egan began his career as a manager of venture capital for New England Enterprise Capital Corporation.

Mr. Egan is past president and chairman of the National Venture Capital Association, a trustee of Fairfield University, a trustee of the University of Pennsylvania, and a Graduate Board member of The Wharton School. He is also a member of the Board of Directors of New Times Holdings, LLC, AAA Entertainment, LLC, dsd Communications, and Cephalon, Inc. Mr. Egan received his BA in economics from Fairfield University and an MBA from the University of Pennsylvania's Wharton School of Finance.

Peter T. Francis— Limited Partner

Peter Francis is board chair, president and CEO of J. M. Huber Corporation, a diversified, multinational supplier of engineered materials, natural resources, and technology-based services. Mr. Francis joined the company in 1992 as vice chairman. In 1993, he became board chair of Huber and president of its largest division, AVEX Electronics, which he led in a major turnaround to profitability. He became CEO and president of the parent corporation in 1994, which he has since grown to over \$2.5 billion in revenues. In 2004, the company completed the largest acquisition in its history when it acquired CP Kelco, a global leader in the hydrocolloids industry. Before joining Huber, Mr. Francis was CEO of a leveraged buyout in the wood products industry. He also designed and managed the development of a high-technology oceanographic instrument for the oil and gas industry. He and his wife circumnavigated the world by sailboat, visiting 38 countries, covering 55,000 miles, and spending 558 days at sea.

Mr. Francis served on the Board of Overseers of the New Jersey Institute of Technology for five years, where he chaired its strategic planning committee. He is a trustee of the Rumson Country Day School and chair of its long-range planning committee. Mr. Francis graduated cum laude and Phi Beta Kappa with his BA from Middlebury College and received an MBA from the Stanford University's Graduate School of Business where he was an Arjay Miller Scholar.

Dr. Mustafa Gultekin— Limited Partner

Mustafa Gultekin currently serves as associate professor of finance at UNC Kenan-Flagler Business School. He teaches investments, portfolio management and financial modeling in the MBA program, and his current research involves financial markets, international finance, risk management and valuation. He has served as a consultant to major corporations in the United States and abroad, including Atlantic Bell, Westinghouse, U.S. Agency for International Development, Kansallis Foundation for Financial Research and Salomon Brothers, now Smith Barney.

Dr. Gultekin is the former president of the European Financial Management Association and the former dean of the College of Administrative Sciences and Economics at Koc University in Istanbul. He also served as associate director of the Management Decision Laboratory at New York University and as a research scientist at Bogazici University in Turkey. Dr. Gultekin received his BS in physics from Middle East Technical University, his MA in operations management from Bogazici University and a PhD from New York University.



Trygve Mikkelsen—Limited Partner

Trygve Mikkelsen is the founder and general partner of T+T Holdings, LLC, a private investment company focused on private equity and a variety of long-short multi-strategy equity funds and single thesis hedge fund investments. Prior to starting T+T Holdings, Mr. Mikkelsen was a managing director with Citigroup (2004-2007), Deutsche Bank (1999-2002), and Credit Suisse First Boston (1987-1999). His specialty as an investment banker was M&A advisory, with a focus on health care. Mr. Mikkelsen has completed transactions with an aggregate value over \$50 billion, representing a diverse group of companies in the health care, consumer products and industrials sectors. In addition to his advisory responsibilities, Mr. Mikkelsen held several management positions including head of US Healthcare at Credit Suisse First Boston, where he was appointed to the Investment Banking Management Committee. Prior to investment banking, Mr. Mikkelsen worked for McKinsey & Company in Scandinavia.

Mr. Mikkelsen was born and raised in Norway and was a cross country skier on the Norwegian National Ski Team. Mr. Mikkelsen graduated cum laude with a BS from the University of Utah, where he was an All-American skier, and received an MBA with honors from Columbia University.

Michael F. O'Connell—Limited Partner

Michael O'Connell is currently the managing director of M2O Investments, a family investment fund. He was formerly the managing director and president of Anhalt, O'Connell & Steffanci, Inc., an investment management firm specializing in debt securities with \$1 billion under management. Prior to his time in investment management, Mr. O'Connell owned and operated the National Lines Bureau, the ship mooring company for the Los Angeles and Long Beach Harbors. He is currently an investor in over 20 private companies.

Mr. O'Connell received a BA, with high honors, from Harvard College and an MBA from Harvard Business School.

Dr. Michael J. Roberts—Limited Partner

Mike Roberts is a senior lecturer and the executive director of the Arthur Rock Center for Entrepreneurship at Harvard Business School. He was formerly an assistant professor at the school in the General Management area and taught the second-year elective courses "Entrepreneurial Management" and "Managing the Growing Enterprise." Dr. Roberts is the author of over 100 case studies on starting and managing entrepreneurial companies. He co-authored *New Business Ventures and the Entrepreneur* with Howard H. Stevenson and H. Irving Grousbeck, a text book that is used at over 100 graduate business schools. Dr. Roberts is also the author of numerous papers and articles on the challenges of managing the transition from entrepreneurial to professional management.

Prior to and during business school, Dr. Roberts worked for McKinsey & Company and Morgan Stanley, respectively. From 1989 to 1991, he served as director of international business development for Cellular Communications, Inc. where he led a successful effort to acquire the second cellular license in Italy. He has also served as CFO of a start-up chain of quick service Italian restaurants, and as vice president of business development for a company in the health care services field. He has served as a consultant to numerous start up companies as well as AT&T, Chrysler and Ameritech.

Dr. Roberts received his BA in economics, cum laude, from Harvard College, his MBA with high distinction and his DBA as a dean's fellow from Harvard Business School.

Rafael Somoza—Limited Partner

Rafael Somoza most recently was the co-founder and CEO of VIU Media, Puerto Rico's largest locally-owned outdoor advertising company, which was sold to Lamar Advertising. Prior to becoming CEO of VIU Media, he was the co-founder and CEO of Quest Management Corporation, a private equity group formed to identify, acquire, and operate a company in Puerto Rico. Previously, Mr. Somoza worked at Credit Suisse First Boston, where he was involved in structuring over \$1.2 billion in financings, and at Chase Manhattan Bank.

Mr. Somoza received the 2004 Ernst & Young Entrepreneur of the Year Award for Puerto Rico and currently sits on the board of the Puerto Rico Convention Bureau and EM Assist, LLC. Mr. Somoza graduated magna cum laude with a BA in economics and political science from Yale University and holds an MBA from Stanford's Graduate School of Business.

James L. Southern, III—Limited Partner

Jim Southern is the managing member of JS Capital Partners, an acquisition company focused on service businesses in high growth industries. He served as chairman and CEO of Continental Fire & Safety Services, a privately held service company serving the fire suppression industry. Previously, Mr. Southern was the chairman and CEO of Uniform Printing, a highly successful niche printing business serving the insurance industry, which he purchased in a leveraged buyout. Mr. Southern earned his investors a 59% IRR over the course of the ten years he managed the company. He also has experience in the insurance and oil and gas industries.

Mr. Southern currently serves on the boards of Bay Communications, Inc., as well as various non-profit organizations. Mr. Southern received his BA from Southwestern University and his MBA from Harvard Business School.

Jose Stella—Limited Partner

Jose Stella most recently was the co-founder and president of VIU Media, Puerto Rico's largest locally owned outdoor advertising company, which was sold to Lamar Advertising. Prior to becoming president of VIU Media, he was the co-founder and president of Quest Management Corporation, a private equity group formed to identify, acquire, and operate a company in Puerto Rico. Previously, Mr. Stella worked at KPMG Peat Marwick in the middle-market Mergers & Acquisitions Advisory Group. He also worked for UBS and Chase Manhattan Bank.

Mr. Stella received the 2004 Ernst & Young Entrepreneur of the Year Award for Puerto Rico and currently serves as a director of Rocket Learning, LLC and Centros Sor Isolina Ferre, the largest Puerto Rico based not-for-profit organization. Mr. Stella graduated with high honors with a BA in economics, finance and investments from Babson College and graduated cum laude with an MBA from The University of Michigan.

Dr. Howard H. Stevenson—Limited Partner

Howard Stevenson currently serves as senior associate dean of Harvard Business School. He is also the director of publication activities, chair of the Harvard Business School Publishing Company board, and the Sarofim-Rock Professor of Business Administration, Emeritus. The Sarofim-Rock Chair was established in 1982 to provide a continuing base for research and teaching in the field of entrepreneurship. Professor Stevenson is its first incumbent. He has authored, edited, or co-authored eight books, 42 articles and over 150 cases at Harvard Business School. He served as the vice provost for Harvard University Resources and Planning after service as senior associate provost of Harvard University from 2005 to 2007 and as senior associate dean and director of external relations at Harvard Business School from 2001 to 2005.

Dr. Stevenson was a founder and first president of the Baupost Group, Inc., an investment firm he grew to \$400 million in assets. He is now co-chairman of the Advisory Board of Baupost LLC, which has \$5.4 billion under management. From 1978 to 1982, Dr. Stevenson was vice president of finance and administration and a director of Preco Corporation, a large privately-held manufacturing company. In addition, in 1970-71, he served as vice president of Simmons Associates, a small investment banking firm specializing in venture financing.

Dr. Stevenson is currently a director of Camp Dresser & McKee Inc., Landmark Communications, Inc. and a trustee for several private trusts and foundations. He is a life trustee of the Boston Ballet and has been a director of Sudbury Valley Trustees where he served as president from 1996 to 2000. He is vice chairman-elect of the Board of Directors of National Public Radio and a trustee of Mount Auburn Hospital. He is a member of the Advisory Board of the J.J. Strossmayer University in Osijek, Croatia. Dr. Stevenson received his BS in mathematics, with distinction, from Stanford and his MBA with high distinction and DBA degrees from Harvard University.



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To learn more about The Blackethouse Group, or to introduce an investment opportunity, please contact us. We work closely with intermediaries and will pay a standard fee upon transaction close.