ACG
Orange County

8th Annual

PRIVATE EQUITY MARKETPLACE

DEAL FLOW & WINE TASTING EVENT

For over 25 years, Association for Corporate Growth (ACG) Orange County has been the premier association for professionals involved in corporate growth, corporate developmentand mergers & acquisitions for medium to large companies.

We are pleased to host the 8th Annual Private Equity Marketplace 2010 Deal Flow & Wine Tasting. This evening offers you the opportunity to meet private equity firms as well as the Who's Who of the M&A community of Southern California.

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ACG Orange County

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www.acg.org/occ

Lloyd Miller

Dear ACG Members and Prospective Members,

I am pleased to announce ACG Orange County's 8th Annual Private Equity (PE) Marketplace Deal Flow and Wine Tasting event, which will be held on January 14, 2010, from 5:00 PM to 8:00 PM at The Island Hotel Newport Beach at Fashion Island, in Newport Beach, CA.

"PE Night" is a must-attend event offering unmatched networking opportunities for business leaders across several industries. It brings together best-of-class local and national equity sources, professional M&A service providers, lenders, corporate members and their guests to make connections, share intelligence, and advance their businesses.

PE Night offers you the chance to participate and invest in the future of Orange County. This is also the purpose of our organization – to create the opportunities and connections necessary to develop a vibrant network of business relationships and drive success.

As president of ACG OC, I am grateful to all of those who have strived hard to make PE Night 2010 a great success. Their support and dedication is deeply appreciated. They include:

- Our Event, Platinum, and Gold Sponsors, listed on the cover of this supplement, who have made the night possible through their generous funding;
- The Orange County Business Journal, which has partnered with ACG OC once again to make this supplement an important, year-round resource;
- The ACG Board of Directors, listed in this supplement;
- The ACG OC Staff at GSE, Inc. for coordinating all event activities in conjunction with our host, The Island Hotel; and,
- The ACG Private Equity Night Committee, who through their hard work, have brought this event to life:
    - Brett Crabtree, MMC Group – Committee Chair
    - Mark Looft, BFI Finance
    - Ryan Guthrie, BDO Seidman, LLP
    - Gerik Degner, Waveland Capital Group, LLC
    - Peter Lambert, Willis M&A Group
    - Karl Hardesty, Tatum, LLC
    - Brandon Howald, Paul Hastings, LLC

Please join us for an evening of remarkable opportunity for Orange County businesses.

Sincerely,

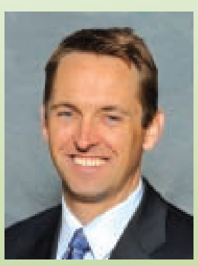
Lloyd Miller
ACG Orange County Chapter President

ACG Orange County
The Leading Authority on Corporate Growth

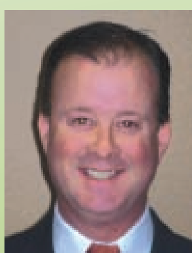
ACG-OC 2010 Private Equity Night Committee

We wish to thank our sponsors, participating equity firms, the Orange County Business Journal, and all of the individuals who support this event.

Brett Crabtree, Senior Vice President, MMC Group



Ryan Guthrie, Director, Transaction Advisory Services, BDO Seidman



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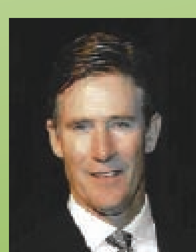

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Deal Flow Gaining Momentum, Creating Optimism for Private Equity in 2010 and Beyond

by Ryan Guthrie, Director, Transaction Advisory Services Practice, BDO Seidman

Nobody is brave enough to suggest that 2010 will be a great year in Private Equity and M&A (not yet anyway), but looking back on 2009, it seems that we've come a long way.

Anyone who attended the ACG InterGrowth conference in Las Vegas (May 2009) – amidst one of the most challenging deal environments in recent history – would likely agree that it felt like the largest commiseration they'd ever experienced. I heard one person comment that "even the liars weren't lying." Fast forward to the holiday parties of December and what a difference in sentiment: a sense that markets are getting back to work, talks of a pickup in activity, deal stories, and even some 'no shows' who had too much work on their plate.

There's no doubt that 2009 presented unprecedented challenges for the private equity industry that will linger in the year to come. The near collapse of the financial markets in 2008 set off a string of events that created a scarcity of deal flow, the inability to secure financing and the call for action to shore up portfolio companies to avoid record losses. However, according to a recent study conducted by BDO's Private Equity Practice, though private equity executives do not expect a sudden boom in deal flow, the majority of private equity executives surveyed believe that the worst may now be behind them, with only 2% of respondents anticipating closing no deals in 2010. Furthermore, the majority remains committed to their primary investment strategies – having taken significant steps to mitigate losses in their portfolio.

Hopefully the fourth quarter deal statistics, when published, will confirm that the positive holiday chatter was in fact real and the feelings of optimism were not just wishful thinking. There are certainly reasons for optimism - considering there is nearly $1 trillion of purchasing power existing in pent-up equity and leverage capital, portfolio issues continue to ease, and lending markets continue to thaw. A convergence of these fundamentals with an improving economy, a capital gains rate set to expire, and a little bit of luck, just may cause a marked increase in the quality of deal flow and increased seller motivation.

We have certainly come a long way. If 2010 can carry this bit of momentum, and I believe it will, where might we be a year from now? Perhaps this momentous energy will gain tremendous strength – setting the stage for 2011 to be a vintage year that will be remembered.

Ryan Guthrie is a Director in BDO's Transaction Advisory Services practice and a leader in financial sponsor coverage for the firm.


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Accelerating Operational Productivity in a Down Market

by Tim Ristoff, Managing Director and CEO, TriVista Business Group Inc.

Every day in the news we hear that US companies are seeing greater productivity as a result of right-sizing their operations during this unprecedented economic contraction. However, is this merely a mathematical calculation or have companies truly improved their processes, systems and behaviors? Will companies have the ability to sustain these productivity gains as volumes increase and newly hired, untrained workers are asked to perform at increasingly higher levels?

The world's leading manufacturers know that sustainable productivity gains can only be achieved through a systematic, process driven approach to eliminate waste and increase the velocity of every activity within an organization. In every sense of the word, companies must focus on becoming "Lean." Not just in manufacturing, but in engineering, finance, supply chain and commercial activities as well. Reduced headcount in these areas will not support sustainable productivity improvements, but in fact may cause increased inefficiency when volumes rebound and new untrained labor work to fulfill a company's new productivity target. Properly training employees and focusing in reducing waste by deploying Lean Manufacturing tools and methodologies will generate the sustainable productivity gains that shareholders demand.

In a "Lean" world, waste is called ***Muda*** and ***Muda*** is any activity or effort beyond what the customer is willing to pay for in both products and services. Lean companies focus on "*The Eight Types of Waste," also known as D.O.W.N.T.I.M.E.*

- **Defects:** Any process, product, or service that fails to meet specifications
- **Overproduction:** Producing more than the customer or next operation can consume
- **Waiting:** Idle time inside of the process where value added activity is stopped
- **Not Utilizing Talent:** The waste of human time and value to the organization
- **Transportation:** Movement of product or materials between or among operations
- **Inventory:** Material anywhere in the value stream is non value added
- **Motion:** Any movement of people's bodies that does not add value
- **Extra Processing:** Non value added activity that the Customer is unwilling to pay for

The concepts behind the Lean philosophy are not new and they are not earth shattering. Rather, a Lean company is merely a company in control of its processes. Only the elimination of waste and a relentless focus on providing value added activities that the customer is willing to pay for will drive sustainable productivity improvements in your company. The only way to accelerate operational productivity in a down market is to change the way a company operates – systems, processes and behaviors must be improved, documented and controlled.

About TriVista Business Group Inc.

TriVista Business Group is a boutique management consulting and advisory firm focused on creating value for middle market private equity firms across three main service areas – Transaction Advisory, Operational Performance Improvement, and Global Supply Chain. TriVista has offices in Aliso Viejo, CA and Tianjin, China.

Tim Ristoff is Managing Director and CEO of TriVista Business Group Inc. For more information, please phone 949-218-4830 or visit TriVista's website at www.trivista.com.

ACG OC 2009-2010 Board of Directors

The Board of Directors of the Orange County Chapter of the Association for Corporate Growth wishes to thank our sponsors and the private equity community for their generous support of the 8th Annual Private Equity Marketplace

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Is Your Private Equity Firm Using R&E Tax Credits to its Full Advantage?

by Michael Silvio, Managing Director, CBIZ MHM, LLC

While the Research & Experimentation (R&E) tax credit (known as the R&D tax credit) has been around since the 1980s, it's surprising how many companies fail to take full advantage of this tax reduction.

What activities are considered R&E tax credits?

Companies today are focusing on generating new ideas that will help grow, expand, and develop their business. Many of these activities such as improving or enhancing an existing product, may qualify a company for R&E tax credits. These activities can include conducting product development meetings, creating prototypes and developing enhanced production processes. The expenses incurred during the subsequent trial and error process involved with these 'brainstorming' activities may also produce tax credits.

Michael Silvio

Impact on private equity firms

R&E tax credits can increase cash flow and improve a company's bottom line by as much as one hundred thousand dollars or more. This means the company can recoup a portion of what they incurred to fund their research and development activities. This tax credit can be applied to refunds of previous taxes paid or a reduction in current and future tax bills.

A Private Equity Firm (PEG) looking to sell a company that has generated or that can generate research credits prior to the sale, may be able to use these credits to reduce the tax paid on the sale transaction. They may also be able to obtain a purchase price adjustment in light of the value of any carry-forward tax credit that could be transferred to the buyer. A PEG looking to buy a company may be able to use these credits in the negotiation process.

The federal credit is set to expire at the end of this year and Congress has yet to approve an extension. Companies may still be able to take advantage of the credits for the past three tax years including companies that performed R&E activities in other states and/countries.

Many companies are aware of the R&E tax credit; however, they are reluctant to consult an outside expert. Those who do not receive the guidance required to navigate the complex definitions of R&E-related tax codes often file for unnecessarily conservative tax credits or miss tax credits altogether.

PEGs should engage in a thorough analysis of the R&E credit opportunity relating to the companies that they have ownership in. This analysis should include: identifying and documenting qualifying activities, complying with federal and state tax codes, reviewing prior year activities and amending prior year tax returns to receive the credit, educating employees to identify R&E credit possibilities, and developing company policies and procedures to track R&E expenses for credits.

Using R&E tax credits as a planning tool

In addition to boosting their bottom line, PEGs may also use research credits as a yearly planning tool to reduce the current tax bill for their portfolio companies. This tax reduction serves to increase the firm's return on its investment in the portfolio company.

By taking the time to speak to a dedicated R&E tax credit advisor, a PEG may find an opportunity to save the portfolio company substantial tax dollars and use the tax code to its advantage.

Contact Michael Silvio, Managing Director, CBIZ MHM, LLC at 949-727-1322.

About CBIZ, Inc.

CBIZ, Inc. (NYSE:CBZ) is a publicly traded, national company providing a wide range of professional business services to help clients manage their finances, employees and technology.

Our highly experienced tax specialists offer top-quality tax compliance and consulting services including; international tax, Research and Experimentation tax credits and State and Local Tax (SALT) services.

About Mayer Hoffman McCann P.C.

Mayer Hoffman McCann P.C. (MHM) is a national independent CPA firm. MHM was founded over 50 years ago and has been helping public and private companies, nonprofit organizations and government entities, since its inception. As a result, we have experienced steady growth and matured into one of the nation's top accounting firms.

Together, MHM and CBIZ is the eighth largest accounting provider in the country.

To speak to one of our professionals in the local office, contact Lloyd Miller at 949-727-1323 or lrmiller@cbiz.com.


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Orange County
8th Annual
PRIVATE EQUITY MARKETPLACE
DEAL FLOW & WINE TASTING EVENT
Thursday, January 14, 2010
Island Hotel Newport Beach
5:00pm - 8:30pm
$50 members; $95 non-members (pre-registered)
$75 members; $125 non-members (at the door)
Guests are responsible for valet parking charge of $6
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