

SPG STRATEGIC PARTNERS GROUP

Introduction

As a way of introducing SPG Strategic Partners Group to you, I am enclosing the following for your review:

- ❖ SPG Partner Profiles (Pages 2 and 3)
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Formed in 2002, SPG is a firm of experienced business leaders expert at building value for underperforming and troubled companies.

Our major focus is on small to middle-market sized companies over a broad range of industries, from manufacturing, technology, retail, financial, real estate, service, distribution to construction.

Often times, it is the small to middle market companies who become most overwhelmed and threatened by the increasingly complex business climate, and need to have or have access to the practical, skillful knowledge of professionals who have faced these challenges, can solve problems and/or capture opportunities.

This is “what we do best”.

- We can be the *skillful interim* (short or long term) *CEO, CFO, COO or CRO*.
- We can work along side an existing owner and/or management team, strategize and collaboratively execute steps necessary to *improve profitability*, reshape an unsuccessful business model or take on a strategic advisory role for you and help *grow your business*.
- Prepare *SPG-designed* strategic marketing, sales, operational and financial time-lined “*execution plans*” and drive the “*execution and implementation*” of the necessary activity-based business practices, performance benchmarks and metrics to achieve desired targets.
- Contracted advisor to “*analyze and/or fix performance issues*”.
- Perform sales, marketing, operational, financial and organizational analysis that provides you with “*high quality insight and understanding*” on profitability, cash flow strategies, operational and detailed steps necessary to achieve the necessary *improvement and positive growth*.
- In difficult credit and operating environments, able to *bring strong outside credibility often times sought by commercial lenders* to strained or difficult banking and/or financing relationships.
- Assist in securing additional financing and/or capital to sustain or grow the business, along with preparing for and executing a sale of the business at the highest potential value, if the ownership group is at this stage.

Contact

We look forward to meeting with you and your company, presenting SPG’s services and expertise and reviewing in detail the business and operational benefits we can offer to you and your company. Feel free to contact us direct at our numbers, etc. below.

Greensboro, North Carolina Office

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“Our goals and results-driven abilities are clear. Build value.”

SPG STRATEGIC PARTNERS GROUP

Thomas M. Kirkpatrick Managing Partner



Accomplished **Chief Executive Officer, Chief Operating Officer and Chief Financial Officer and Leader** with over 25 years of diverse industry operational and financial expertise/experience, specializing in building corporate and shareholder value in companies ranging from \$ 5 million to \$ 500 million in revenues.

Founder/Managing Partner (2002 - Present), SPG Strategic Partners Group, Inc.

Proven business leader, turnaround, restructuring and growth specialist encompassing wide range of industries and business situations.....early stage, development, growth, middle market to sustaining businesses.....complex turnarounds, restructurings and reorganizations.....sales growth, marketing development and branding, operational improvements and results.....financial and strategic advisory services.....mergers and acquisitions.....investment banking alliances.....bringing privately held companies and private equity firms together for strategic acquisitions.

Serving in roles of **Chief Restructuring Officer** (Chapter 11 Reorganization of 120,000 sq ft Memphis mfg), **Chief Executive Officer** (300,000 sq ft Atlanta and Memphis mfg), **Chief Executive Officer** (100,000 sq ft Seattle/Tacoma and Portland mfg), **Chief Restructuring Officer and Chief Executive Officer** (Chapter 11 Reorganization of 160,000 sq ft North Carolina mfg)..... along with executing series of engagements in the roles of Growth Management Consultant, Chief Financial Officer, Chief Operating Officer, Marketing and Business Development Consultant, Feasibility and Restructuring Analysis, Business Development Consultant and Business Valuation Expert.

Former Managing Director.....national turnaround management firm.....specializing in interim management, turnarounds, strategic planning, mergers/acquisitions services for companies in crisis and/or growth situations.....independent turnaround management consultant on series of engagements for regional consulting firm and other independent assignments.....serving in the roles of **Chief Financial Officer, Chief Executive/Operating Officer, or Board/Management Advisor**, companies with revenues ranging from \$ 5-10 million to \$ 200 million.

President/CEO and Founder of international manufacturing company - established marketing and sales plans, manufacturing network/affiliations, worldwide licensing agreements, distribution network, private equity placements, bank and venture capital financing facilities.

Vice President, Finance and Chief Financial Officer - multi-national manufacturer. Led high-growth organization through periods of significant operational and financial expansion into 6 domestic and 5 international operations.

Senior Manager, KPMG Peat Marwick - comprehensive experience in the firm's private business advisory services, manufacturing consulting, mergers and acquisitions and financial audit practices for public (Fortune 500) and privately-held companies, with revenues ranging from \$ 5 million to \$ 500 million, in a variety of industries encompassing manufacturing, technology, retail, financial, real estate, service, distribution and construction.

Guest Speaker and Presenter on topics of strategic planning, leadership, corporate turnarounds/restructurings, growth management, building company value/prepare for sale, capital raising, entrepreneurship and activity-based management.

Bachelor of Science in Industrial Management from the **Krannert School of Management at Purdue University**.
Master of Accountancy from Bowling Green State University...named **Outstanding Graduate Student**.
Consulting Member of the Association for Corporate Growth.
Consulting Member of the American Institute of Certified Public Accountants (AICPA).

SPG STRATEGIC PARTNERS GROUP

James R. Bearrows **Operating Partner**



Accomplished **Chief Executive Officer, Chief Operating Officer, Vice President Finance** and **Leader** with over 30 years of diverse industry operational and financial expertise/experience specializing in building corporate and shareholder value in both privately-held and public companies ranging from \$ 10 million to \$ 800 million in revenues.

Operating Partner, SPG Strategic Partners Group, Inc.

Proven senior executive and leader, turnaround, restructuring, finance, operations and private equity specialist over a variety of industries and business situations.....growth, middle market to sustaining businesses.....complex turnarounds and restructurings.....operations management, revenue and profitable growth advisory services.....strategic planning.....mergers and acquisitions.....financing, capital structures and strategic sales of companies.

Former Senior Vice President of two private equity funds totally \$ 80 million of Raleigh, NC based private equity firm for over 10 years. Specializing in acquisition of USA based lower to middle market manufacturing, value-added distribution and knowledge-bases service companies. Served as Board Chairman/Vice Chairman and oversaw all operations for over 20 portfolio companies....along with periodically executing operating roles within selected portfolio companies.....Chief Executive Officer, Chief Operating Officer, Chief

Restructuring Officer and Chief Financial Officer.....modeling of several hundred potential acquisitions, due diligence, contract negotiations, financing agreements, operational improvements, established and implemented operational metrics and cash flow management systems, costing and product margin analysis and management, manufacturing plant efficiencies and productivity measurements.

Vice President Finance - \$ 350 million subsidiary of publicly-owned global manufacturing company. Strategic planning, acquisitions, financial reporting and analysis, operational metric management, integration of domestic and international operations and asset management.

Vice President Finance and Administration of multinational manufacturer and OEM supplier of high technology applications. Treasury management, mergers/acquisitions, strategic planning, insurance, bank negotiations, information systems and human resources.

Vice President Finance and Administration of \$ 100 million publicly traded limited partnership, national developer of medical office buildings and outpatient health care facilities.

President, Chief Financial Officer for management company of a publicly traded limited partnership created to liquidate several hundred thousand acres of timberland and ten sawmills spun off from multi-national, public company. Led restructuring operations, strategic planning, treasury management, bank negotiations, financial and SEC reporting, financing agreements and facilities.

Division Controller – multinational, public company.

Senior Auditor - McGladrey, Hendrickson & Pullen (regional accounting and consulting firm).

MBA, Specializations in Finance and Economics, **The University of Chicago**.
Bachelors, Accounting, **Western Illinois University**.

Consulting Member of the Association of Corporate Growth.

Consulting Member of the American Institute of Certified Public Accountants (AICPA)

SPG STRATEGIC PARTNERS GROUP

Services & Expertise

Experienced business professionals who bring multi-skilled “toolboxes” combining high level marketing, sales, operations and financial skills to complex business situations and opportunities.

Business leaders.....proven ability to take difficult business problems and deliver the leadership, confidence and execution skills to quickly take on and stabilize chaotic and difficult situations and turn them into opportunities to build value at cost effective means for the company.

Feasibility and Situation Analysis Services

- Analysis of current and projected go-forward status of the business.
- Analysis and assessment of company’s strategic, organizational, marketing, sales, operations and financial segments and recommendations for improvement.
- Cash flow analysis, forecasted viability scenarios and steps/actions needed to improve cash position.
- Profitability analysis encompassing preparation of forecasted, go-forward “profitability models”, key revenue and expense factors and identifying strategies and steps to achieve targeted changes.
- Identification of key short-term, intermediate and long-term planning and business execution steps.

Financial and Strategic Advisory Services

- Organizational, operational and financial due diligence assessments.
- Development and implementation of “time-lined” strategic marketing, sales, operational and financial plans.
- Creation of SPG timeline “to-do” execution steps and parameters in line with strategic execution plans.
- Development and implementation of cash flow and working capital management plans.
- Development of capital, financing and banking relationships.
- Activity-based management and practices implementation.
- Competitive advantage value chain analysis on target sales markets (revenues) and supply markets (costs/purchases).
- “Best of the Best” operational business practices reviews and assessments.
- Benchmarking and operational performance metrics.
- Manufacturing throughput, efficiency and cost reduction reviews.

Interim Management (Executive and Operating Management) Services

On-going Chief Executive Officer (CEO), Chief Financial Officer (CFO), Chief Operating Officer (COO) or Chief Restructuring Officer (CRO) capacities.

Results-driven leadership roles, active day-to-day management of marketing, sales, operations and/or financial segments.

Turnaround, Restructuring and Bankruptcy Services

- Interim CEO, CFO, COO and CRO management roles.
- Chapter 11 “plan reorganizations” and “pre-packaged reorganizations” outside bankruptcy.
- Viability assessment reviews and analysis.
- Financial advisors to lenders and creditors.
- Asset recovery and divestiture plans.
- Targeted 363 sale services.

Mergers and Acquisitions

- Due diligence engagements encompassing all strategic, organizational, marketing, sales, operational and financial segments on targeted acquisitions.
- Business valuations.
- Pre and post-acquisition integration and analysis.

SPG STRATEGIC PARTNERS GROUP

Services & Expertise

Maximizing Corporate and Shareholder Value Services

- Analysis of company “preparedness for sale” and engagements to “prepare company for sale”.
- Preparation of “business sale packages”, along with marketing companies into specific industries/markets, location and presentation to potential strategic buyers.
- Bringing together privately-held companies and private equity firms for strategic acquisitions or investments.
- Work with and coordinate company’s and shareholders CPA’s, attorneys and others and execution of all purchase/sale transaction aspects.

Private Equity Firm Portfolio Companies Management and Analysis

- Interim CEO, CFO or COO management roles.
- Operational, financial and organizational due diligence on portfolio companies.
- Development and implementation of “time-lined” strategic marketing, sales, operational and financial plans.
- Creation of SPG timeline “to-do” execution steps and parameters in line with strategic execution plans.
- Development and implementation of cash flow and working capital management plans.
- Activity-based management and practices implementations.
- Competitive advantage value chain analysis on target sales markets (revenues) and supply markets (costs/purchases).
- “Best of the Best” operational business practices reviews and assessments.
- Benchmarking and operational performance metrics.

Advisory and Litigation Consulting Services

Working with boards of directors, shareholders, company management, lenders, unsecured creditor committees, law firms, etc. facing complex or analysis situations, needing from business and/or transaction reviews to business valuations, support and expert witness testimony.

SPG STRATEGIC PARTNERS GROUP

News & Insights

News

Interim Management, Oxford/Anniston, Alabama and Atlanta, Georgia.

Contracted for management of operations for multiple plant locations, along with preparing and positioning the business and facilities for sale.

Business Valuation, Jackson, Mississippi and Atlanta, Georgia.

Engaged to conduct a business valuation of operations and asset values in conjunction with preparing multi-location manufacturing operation to be packaged in a sale offering to targeted industry buyers.

Feasibility and Situation Analysis, Jackson, Mississippi.

Selected to execute an analysis of multi-location companies in Georgia, Alabama and Mississippi involving a complete business analysis and evaluation of its organizational, marketing, sales, operational and financial segments. Development of go-forward strategies for a “what if” newly restructured business and/or executing a “sale strategy” to targeted strategic buyers.

Chief Restructuring Officer, Chapter 11 Reorganization, Memphis, Tennessee.

Selected by private equity firm as CRO for Chapter 11 Reorganization of one of its portfolio multi-location manufacturing companies located in Memphis.

Interim Management/Restructuring, Atlanta, Georgia and Memphis, Tennessee.

Engaged by 2 private equity firms to develop a restructuring strategic plan for their consolidated and multi-divisional operations of a severely underperforming portfolio manufacturing company. Plan encompasses execution plan strategies and implementation steps and timetables for all marketing (branding, market positioning and target marketing programs), sales (organization, customer/sales network and pricing methods), operations (lean manufacturing, quality control programs, development of materials management and production capacity planning systems) and setting up financial performance metrics and benchmarking, cash flow forecasting and liquidity management models and methods.

Insights

Featured Speaker at Butler Snow Real Estate, Banking, Bankruptcy and Commercial Lending Practice Group Annual Meeting, Jackson, Mississippi, January 2010.

Thomas Kirkpatrick was keynote speaker on “The Role of a Turnaround Management Firm in Distressed Business Situations and SPG Strategic Partners Group’s Approach” and “The Convergence of Bankruptcy, Real Estate, Banking and Commercial Lending in Today’s Environment”.

SPG Strategic Partners Group, New Service Announcement.

February 2010, SPG announces practice service involving “performance of comprehensive due diligence engagements on targeted acquisitions for private equity firms and privately held companies”, along with pre and post-acquisition analysis and integration.

SPG Strategic Partners Group, New Service Announcement.

March 2010, SPG announces practice service involving “preparing companies for sale” and preparation of “sale packages” (SP’s) along with marketing client companies into its specific industries and markets and presentations to potential strategic buyers.

SPG STRATEGIC PARTNERS GROUP

Sampling of Engagements

Successful Chapter 11 Reorganization and Restructuring of Memphis, Tennessee manufacturing company (120,000 sq ft facility) as **Chief Restructuring Officer** resulting in pending 363 sale to strategic buyer. Achieved 15.0% positive operating income levels during 6 month restructuring period vs. negative (12.5%) operating loss prior to restructuring. Negotiated DIP financing with senior secured lender and successfully worked with working capital lender to confidently work in an over-advance financing situation, developed cash flow and liquidity management model, spearheaded customer relationships and sales efforts with key customers, created flexible down-sized, multi-task production and operational team, created 2009-2010 strategic marketing, sales, operational and financial plan for go-forward strategic buyer operations.

Contracted Chief Executive Officer for two portfolio companies (Atlanta/Memphis, totaling 300,000 sq ft facilities) of private equity firm, development and execution of consolidation and restructuring of entities, preparation of 2008-2009 strategic marketing, sales, operational and financial plan for re-capitalization of entity, restructured multi-location entities with sales of \$ 26.2 million, gross margins of 10.8% and EBIDA loss of (\$2.8 million) to single location entity with sales of \$ 24.9 million, gross margins of 15.7% and EBIDA earnings of \$ 0.9 million. Created new branding and market place positioning, technical inside sales concept, sales and margin quoting and costing models, restructured manufacturing capabilities and implementation of activity based performance measures, metrics and operating benchmarks.

Contracted Chief Executive Officer for major turnaround assignment of 100,000 sq ft manufacturer in the housing industry in Seattle/Tacoma and Portland/Vancouver for severely failing portfolio company of Los Angeles based private equity firm at the time of the housing market crash in the Pacific Northwest. Developed and implemented severe restructuring steps in all organizational, marketing, sales, operational and financial areas. Reduced monthly breakeven point in sales by 75%, reduced product returns from \$ 25,000/month to \$ 4,000/month, upgraded purchasing and inventory systems/processes significantly increasing inventory turnover, developed lean/core operating teams and process controls in every department, diversified sales efforts in multiple markets to offset severe declines and worked with strategic vendors in partnering with private firm in attempt to save company. Prepared industry and financial forecast and capital plan for private equity firm and ultimately, despite significantly reducing operating losses, recommended closing business to minimize future capital losses. Proceeded with orderly sale and liquidation of assets and through asset recovery strategies employed, working capital lender achieved close to 100% recovery.

Successful Chapter 11 Reorganization and Restructuring of North Carolina manufacturing company (160,000 sq ft facility), involving six operating divisions and entities facing imminent liquidation resulting from seven figure over-advance default with working capital lender and default on equipment loans with term lender. As **Chief Restructuring Officer** developed reorganization and restructuring plan for all marketing, sales, operational and financial aspects of company, secured DIP financing agreement and successfully executed operating plan resulting in strong, positive EBIDA earnings of \$ 0.6 million (8.0%) on \$ 7.0 million sales during 8 month Chapter 11 reorganizations period vs. EBIDA loss of (\$ 1.3 million) on sales of \$ 11.5 sales for year preceding filing. Upon successfully exiting Chapter 11, as **Contracted Chief Executive Officer** led reorganized company into 2 years of strong growth and earnings, achieving positive EBIDA earnings of 10.1% and 12.5%, respectively, along elimination of seven figure over-advance deficit of working capital lender.

Successful Business Development and Growth Management of North Carolina manufacturing company involving development of a strategic growth plan and execution of applicable marketing, sales and operational strategies over 2 year period to achieve sales increases of 17.5% and 18.8% and EBIDA earnings increases of 47.2% and 45.1%, respectively over the implementation period.

Business Development and Advisory Chief Financial Officer Service Role development of strategic operating plan, capital raising efforts and financial consultant for company's board of directors. **Contracted Chief Operating Officer** for portfolio manufacturing company of early stage private investment group, development and implementation of strategic operating growth plan. **Business Development and Growth Management** advisory role, along with development of short-term and long-term strategic operating plan for North Carolina based marketing and distribution company affiliated with premium European furniture manufacturer. **Expert Witness and Business Valuation** involving national company lawsuit rendering business analysis, market assessment, transaction review and expert witness testimony. **Marketing and Business Development** targeted marketing plan, brand development and ecommerce strategies for rapidly growing health care industry company. **Feasibility and Restructuring Analysis** business valuation, feasibility and go-forward strategic plan for re-structured company.