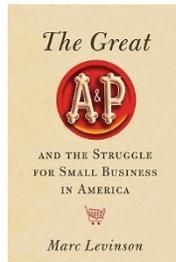


The Powell 50 Report Q3 2011

The Powell 50 Report is an exclusive quarterly report documenting the activities of those whom we believe to be Georgia's 50 most accomplished investment banking firms, intermediaries and private equity firms.

Best Read of the Quarter



The Great A&P
By: Marc Levinson

From its modest beginnings as a tea shop in New York, the Great Atlantic & Pacific Tea Company – better known simply as A&P – became the largest retailer in the world. Brothers George and John Hartford transformed their fathers small grocery chain into a vertically integrated behemoth – the first merchant to sell \$1 billion in goods and the owner of nearly sixteen thousand stores and dozens of factories from coast to coast. This book is an outstanding overview of one of America's great companies, and it gives its readers insight into the inner workings of a fast growing business within the context of an even faster growing country. I highly recommend this read – particularly for those involved in growing businesses that serve individual consumers.

Useful Resource of the Quarter



AloStar Business Credit, a division of AloStar Bank of Commerce, is a newly formed asset based lender lead by highly accomplished banking and commercial finance executives (www.meetalostar.com). They have a strong deposit base supplemented by substantial equity backing. Their target focus is on providing *asset-based working capital and term debt facilities in the \$5 to \$20 million range* to middle market businesses throughout the country. They are headquartered in Atlanta with offices in New York, Connecticut, Chicago, Dallas, Baltimore & Los Angeles. Managing Director John Rosin can be reached at jrosin@alostarbank.com or 770-384-8303.

The following list represents only the *Powell 50* firms with transaction activity reported to PGC during the quarter.

Firms with no activity reported to PGC were not included.

For a full list of all *Powell 50* firms or an electronic copy of *The Powell 50 Report* please visit www.powellgrowthcapital.com

Georgia Private Equity Activity (Private Equity firms either headquartered or with offices in Georgia)

Firm Name	Q3 2011 Activity
Atlanta Equity Investors	September 2011: Invested in Marshall Emergency Services Associates, PLLC. Headquartered in Lexington, KY, Marshall is a leading provider of emergency department and hospital medicine (or hospitalist) physician contract management services. Atlanta Equity was joined in the transaction by Fulcrum Equity Partners.
	September 2011: Atlanta Equity Investors, LLC announced the sale of its portfolio company Richmond Cold Storage Company, LLC to an operating unit of Bay Grove Capital LLC. The investment exit resulted in a 2.2x gross cash-on-cash return and a 45% IRR to Atlanta Equity Fund L.P.
Fulcrum Equity Partners	Q3 2011: Invested \$3MM of growth capital into Red Bag Solutions
	Q3 2011: Invested \$5MM in Marshall Emergency Services Associates as part of a \$15MM recapitalization by Atlanta Equity.
	Q3 2011: Invested \$3.2 million in Regenesys Biomedical, a Scottsdale, AZ-based medical device company that has designed, patented and markets the Provant® Therapy System, a wound care device for the treatment of pain and swelling following surgery.
HIG Ventures	July 2011: H.I.G. Capital, LLC, announced today that it has successfully closed H.I.G. Growth Equity Fund II, L.P. The Fund held its final closing with total aggregate commitments at its \$500 million cap.
Linx Partners	Q3 2011: Refinanced Tidewater Equipment Company, a southeastern-based distributor of logging equipment to the timber harvesting industry of all sizes throughout the southeastern United States.
	July 2011: Acquired ADS Logistics Co., LLC - a national provider of trucking, warehouse and intermodal logistics services to the metal industry.
MSouth Equity Partners	September 2011: In partnership with management, MSouth completed the recapitalization of PetroLiance.
	August 2011: In partnership with William Bradford and Gene Johnson, MSouth completed the acquisition of United Telephone Company.
Navigation Capital Partners	August 2011: Exeter Finance Corp., a specialty auto finance company, announced it has been acquired by Blackstone from Navigation Capital Partners (NCP). Blackstone plans to invest up to \$277 million in the transaction. NCP and the Exeter management team will retain a minority interest in Exeter. Exeter also announced that a \$600 million line of credit has been secured.

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Noro Moseley **August 2011:** Vocalocity, the leading cloud-based phone service for small business, today announced a merger with fellow hosted communications provider Aptela. With the addition of Aptela customers, Vocalocity's customer base has grown more than 30 percent – making it the fastest growing hosted communications service today devoted solely to small business needs.

July 2011: Virtustream, Inc., a leading provider of cloud services and next generation infrastructure solution today announced additional funding, raising \$10 million of Series B round financing to complement the company's previous Series A round for a total of \$59 million in equity capital raised to date. Virtustream's Series B funding comes from existing investors: Intel Capital, Columbia Capital, Noro-Moseley Partners, and TDFunds, and supports strategic company initiatives as Virtustream enhances its cloud offerings.

July 2011: Atlanta-based Movero, Inc. announced today that it is officially operating under its new name. The new business entity, led by CEO Michael Lustig, is the result of two mergers within the past year when BroadSource, Inc. merged with Ohio-based Integrated Mobile, and the combined entity later merged with Texas-based Movero Technology, Inc. The new company, Movero, Inc., is headquartered in Atlanta, and maintains offices in Ohio and Texas.

River Capital **Q3 2011:** Acquired Five Star Manufacturing Company. Headquartered in Springfield, TN, Five Star is a leading manufacturer of engine heating solutions and exhaust clamps for the automotive, trucking and heavy equipment aftermarket industry

Riverside Capital **September 2011:** The Riverside Micro-Cap Fund II (RMCF II) closed on \$137 million in commitments, 37% above the fund's target of \$100 million. Many new investors joined the fold alongside existing Riverside Company faithful to take part in its first Small Business Investment Company (SBIC) fund.

September 2011: Acquired Centiv Services, LLC, a Chicago-based marketing services company. Centiv offers a comprehensive marketing automation platform that provides tools to develop customized, local marketing campaigns that can be designed, produced and fulfilled with short turnaround times.

September 2011: Acquired Avatar International, LLC (Avatar) of Lake Mary, Florida. Avatar provides patient-satisfaction surveys mandated by the Centers for Medicare & Medicaid Services in addition to customized surveys focusing on the patient's healthcare experience, actionable data reports, benchmarking, and best practices guidance.

August 2011: The Riverside Company's American Hospice platform company entered the Texas market with the acquisition of two hospices from Hospice Care of the Southwest. With the additions, American Hospice now has locations in six states, including Arizona, Georgia, New Jersey, Oklahoma, Virginia and Texas.

Roark Capital Group **July 2011:** Roark Capital Group closed its \$430 million acquisition of Atlanta-based Arby's Restaurant Group Inc. from Wendy's/Arby's Group Inc. Arby's is the second largest quick-serve sandwich chain in the US with more than 3,600 restaurants.

Georgia Investment Banking/Intermediary Activity (Firms either headquartered or with offices in Georgia)

Firm Name	Q3 2011 Activity
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Brookwood Associates	Q3 2011: Advised North American Substation Services, a portfolio company of Palm Beach Capital, on the sale of the company to BBH Capital Partners and management. NASS is a leading provider of outsourced field services to high voltage electric substations, with expertise in the assembly, repair and maintenance of nearly all makes of transformers, breakers and switches.
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	Q3 2011: Advised Inpatient Management, Inc. ("IMI") on the sale of the Company to Eagle Hospital Physicians, a portfolio company of Highlander Partners and Flexpoint Ford. IMI is a leading provider of hospitalist program solutions to general acute care hospitals across the United States and has one of the longest-tenured hospitalist practices in the country.
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Carl Marks Advisory	Q3 2011: Harry Wils & Co., a Secaucus, N.J.-based specialty foods, has completed the sale of the company to The Chefs' Warehouse. Carl Marks Advisory Group LLC acted as exclusive financial advisor to Harry Wils, providing sell-side advisory services throughout the transaction.
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	Q3 2011: Scovill Fasteners Inc., a 209-year-old manufacturer of engineered closure products for the apparel and industrial markets, has completed a sale of the company to an affiliate of the Gores Group LLC, a Los Angeles-based private equity firm. Carl Marks Advisory Group LLC acted as exclusive financial advisor to Scovill.
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Cary Street Partners	September 2011: The Country Vintner has received a significant investment from Brockway Moran & Partners, Inc. The Country Vintner is a leading distributor and importer of fine wines and American craft spirits in the Mid-Atlantic and Southeast. Cary Street Partners acted as financial advisor to The Country Vintner which had been controlled by a private equity fund managed by PNC Equity Partners
Caymus Partners	August 2011: Coast Dental Services, Inc. has successfully acquired Dental Technology, Inc., based in Santa Ana, California. Caymus Partners initiated and served as the exclusive financial advisor to Coast Dental.
CCG Advisors	August 2011: CCG Advisors today announced the completion of a deal by Kids II, one of the world's fastest-growing infant and toddler products companies, through which Kids II has licensed the intellectual property rights of Taggies. Originally created as plush security blankets with satin loops, Taggies has developed into a children's lifestyle brand offering toys, apparel and accessories in addition to its signature security blankets.
Croft and Bender	September 2011: Post Acute Medical, LLC, a specialty healthcare company operating a network of post-acute care facilities, has secured a Senior Term Loan and Revolving Credit Facility from MidCap Financial. Proceeds will be used to develop and acquire specialty hospitals, recapitalize existing debt, and strengthen its working capital position. Croft & Bender acted as the exclusive financial advisor to Post Acute Medical.
	September 2011: Harris Research, Inc., a subsidiary of The Home Depot and the world's largest franchisor of carpet and upholstery cleaning services, has been acquired by Baird Capital Partners. Croft & Bender acted as the exclusive financial advisor to The Home Depot.
	August 2011: MRB Acquisition Corp., a leading provider of specialty durable medical equipment, including portable oxygen concentrators, power chairs, and scooters, has been acquired by Lincare Holdings Inc. (NASDAQ: LNCR). Croft & Bender acted as the exclusive financial advisor to MRB Acquisition Corp.
Edge Healthcare Partners	August 2010: Gentiva Health Services, Inc. (NASDAQ: GTIV) has completed its acquisition of Odyssey HealthCare, Inc. (NASDAQ: ODSY), a leading national provider of hospice care in the U.S., in an all cash transaction for a price of \$27.00 per share and an aggregate purchase price of approximately \$1.0 billion. Edge Healthcare Partners served as the originator and exclusive financial advisor to Gentiva Health Services.
FIG Partners	July 2011: The PNC Financial Services Group, Inc. (NYSE: PNC) today announced that it has signed a definitive agreement to acquire 27 branches in metropolitan Atlanta, Georgia from Flagstar Bank, FSB, a subsidiary of Flagstar Bancorp, Inc. (NYSE: FBC) and assume approximately \$240 million of deposits associated with these branches based on balances as of June 30, 2011. FIG Partners LLC represented Flagstar Bancorp, Inc. as financial adviser.
Focus LLC	August 2011: Emerging Solutions has been acquired by Emtec, Inc. FOCUS represented Emerging Solutions in the transaction
	August 2011: Communications Systems, Inc. (CSI) has acquired Patapsco Designs Limited. FOCUS represented CSI. The acquisition will bolster CSI's business by adding TDM over IP, also known as pseudowire or Circuit Emulation Services (CESoIP), to Transition Networks' product portfolio and capabilities.
Morgan Keegan	Q3 2011: Acted as financial advisor to OrthoScan, Inc. in its sale to Aton GmbH.
	Q3 2011: Served as financial advisor to EQT Partners AB in its sale of Securitas Direct to a consortium of private equity funds managed by Bain Capital and Hellman & Friedman.
	Q3 2011: Acted as exclusive financial advisor to FatWire Software in its sale to Oracle Corporation
	Q3 2011: Served as exclusive financial advisor to Dotster in its sale to a portfolio Company of Accel-KKR.
	Q3 2011: Acted as exclusive financial advisor and placement agent to VideoIQ in the equity financing led by a strategic investment from Cisco Systems, Inc.
	Q3 2011: Completed debt offerings for the following - Camber Corporation, Energen Corporation, Goldman Sachs Group, Inc. and Kinder Morgan Energy Partners, L.P.
	Q3 2011: Completed equity offerings for the following: Digital Realty Trust, Enbridge Energy Partners, Genesis Energy, L.P., Government Properties Trust, Kodiak Energy, National Retail Properties, Pebblebrook Hotel Trust, Pioneer Drilling, Public Storage, Realty Income Corporation, Sabra Health Care REIT, SandRidge Permian Trust, Triangle Capital Corporation and Vanguard Health Systems.
Murphy Business and Financial Services	Q3 2011: Matt Slappey of Murphy Business & Financial Corp of Decatur completed the sale of a Division of Barranco Beverage, a Beverage Wholesale/Distribution business located in the Atlanta area. The sale allowed the company to recapitalize in order to satisfy demand of their national division that serves public schools.
TM Capital	Q3 2011: Completed a \$63.5 million management-led leveraged recapitalization for DiversiTech Corporation, a leading producer and supplier of components for the HVACR industry.

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Q3 2011: Completed a \$250 million senior refinancing for Valley Proteins, Inc, one of the country's top independent protein renderers and recyclers.

Q3 2011: Advised Global Power Equipment Group (NASDAQ: GLPW), a leading provider of engineered equipment and services to infrastructure, energy and process industries customers, on the sale of its Deltak heat recovery systems subsidiary to Belgium-based Hamon & Compagnie (ENXTBR: HAMO).

Q3 2011: TM Capital was retained by Vention Medical to advise this full-service medical device manufacturer in building its global platform. Working collaboratively with our Irish M&A International partner, IBI Corporate Finance, an affiliate of Bank of Ireland, TM completed the acquisition by Vention of ANSAmed, Ireland's leading provider of advanced medical tubing solutions.

Q3 2011: Centiv Services, LLC was sold to The Riverside Company. Centiv's solutions allow the largest global brand marketers to create and distribute highly customized local advertising content via a SaaS platform.

Q3 2011: Back Bay Restaurant Group and the Sarkis family enlisted TM Capital to lead the divestiture of its renowned Joe's American Bar & Grill brand, as well as the Abe & Louie's, Atlantic Fish, Charley's and Coach Grill fine-dining brands.

VRA Partners **September 2011:** Ritz Camera & Image, LLC, the leading specialty retailer of premium camera and imaging products in the United States, has been recapitalized by Transom Capital Group, a private equity firm based in Los Angeles, California. VRA Partners acted as the exclusive financial advisor to Ritz.

August 2011: HealthCare Partners, Inc. ("HCP"), a privately held provider of locum tenens and physician staffing services, has been acquired by On Assignment, Inc. (NASDAQ:ASGN), a diversified professional staffing solutions firm based in Calabasas, California. VRA Partners acted as the exclusive financial advisor to HCP.

August 2011: Ned Davis Research Group ("NDRG"), a leading provider of independent investment research, has been acquired by Euromoney Institutional Investor PLC (LSE: ERM). VRA Partners acted as the exclusive financial advisor to NDRG for this transaction.

Powell Growth Capital is the result of four generations dedicated to building businesses. PGC specializes in growing privately owned companies with beginning EBITDA of \$500,000 - \$2,000,000. Post-close, we partner with experienced chief executive officers and provide them with the resources they need in order to produce significant organic growth. We purchase businesses that meet the following criteria:

- Within a 2 hour driving radius of Atlanta
- 500,000 - \$2,000,000 in EBITDA;
- Traditional (low technology) Industries
- No start-ups
- Control positions
- Proven/Profitable



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