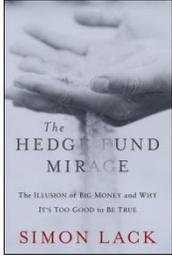


## The Powell 50 Report Q4 2011

*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 Hedge Fund Mirage*  
By: Simon Lack

Most people agree that the first hedge fund was created in 1949. Since then, a lot has changed – especially recently. In 1998 hedge funds managed roughly \$143 billion, shooting up to \$1.6 trillion in 2010 – seemingly undaunted by fiascos such as Long-Term Capital Management.

In a tone similar to that of *A Random Walk Down Wall Street*, Simon Lack writes a concerning overview of the results of the increased competitiveness within the hedge-fund industry; namely that there are “more dollars” chasing the same returns, the result of which is an increased risk appetite on behalf of ambitious hedge fund managers. Lack, a former talent scout for J.P. Morgan, offers an insightful overview of the industry that only a veteran such as he can provide. A good read, especially given its specific focus on the unintended consequences of government intervention in our financial markets.

### Useful Resource of the Quarter



Eyespeak is a brand, design and technology development firm who serves start-ups, small business and faith based organizations.

Their disciplines include: Brand strategy, Brand creation, Design (print, web, mobile), Development (web and mobile based applications) and Influence marketing (strategy and execution).

They are uniquely positioned to help newly formed, quickly growing or transitioning companies. We started working with Eyespeak recently in order to assist one of our portfolio companies with web branding and web site development. We have been impressed with the results thus far and can recommend them as a good resource. To learn more about Eyespeak, contact Jason Ogden [Jason@eyespeak.com](mailto:Jason@eyespeak.com) or 678-596-1976

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](http://www.powellgrowthcapital.com)

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

**Caymus Partners** **October 2011:** A group formed by Caymus Equity Partners LLC acquired GA Communications, Inc. ("GAPRC"). The transaction allowed GAPRC to transfer ownership to senior management and provide necessary capital to further grow the business, as well as cash out other shareholders, including the Company's previous employee stock ownership plan.

**Fulcrum Equity Partners** **Q4 2011:** Fulcrum invested \$2.7 million in a Partners Healthcare Group to fund the acquisition of AAA Home Health & Hospice.

**HIG Ventures** **November 2011:** Successfully sold its portfolio company Ideal Image for \$175 million to Steiner Leisure (NASDAQ:STNR).

**Linx Partners** **December 2011:** Successfully refinanced Cimarron Energy Inc., based in Oklahoma. Cimarron is a national designer, manufacturer and marketer of energy production and aftermarket equipment.

**Riverside Capital** **December 2011:** The Riverside Company and Tensator have completed the acquisition of Portuguese customer journey management specialist Newvision. Newvision offers a range of products including dispersed queue management systems, self-service and multimedia information kiosks, and digital displays.

**November 2011:** Acquired CPA Site Solutions (CPASS), a company that provides products and services that help CPA firms develop superior online marketing tools. CPASS offers its software-as-a-service (SaaS), web design and support to help establish a CPA firm's online presence.

**VRA Partners** **December 2011:** Document Technologies, Inc. ("DTI"), one of the largest independent providers of facilities management and discovery solutions to the legal market, has been recapitalized by Harvest Partners, LP ("Harvest"), a New York-based private equity firm, and the management team of Document Technologies, Inc. VRA Partners acted as financial co-advisor to DTI.

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

| Firm Name                 | Q4 2011 Activity   |
|---------------------------|--|
| Bravaldo Capital Advisors | <b>November 28, 2011:</b> Welcome our newest member of the Powell 50. The firm serves lower middle market private companies, providing service quality akin to top-tier investment banks while increasing personal attention and dedication by limiting annual client load. BCA's target clientele are located in the Southeast and will support an enterprise valuation in the \$5 Million to \$50 Million range. The firm has no industry preference, and former clients have included business owners in all major industry categories encompassing, but not limited to, manufacturing, distribution, transportation, construction, healthcare, and service industries. |
| Brookwood Associates      | <b>Q4 2011:</b> Advised Morgan's Foods, Inc. (OTCBB: MRFD) in the company's recapitalization and sale/leaseback transaction with Fortress Investment Group (NYSE: FIG). Morgan's Foods is one of the largest and most respected operators within the Yum! Brands system, with 76 restaurants across six states primarily under the KFC brand   |
|                           | <b>Q4 2011:</b> Advised Capital Resource Partners and its portfolio company K2 Industrial Services, Inc. ("K2") in its sale to The Halifax Group. K2 is a market leading provider of mission critical outsourced services to industrial facilities located throughout the United States and in the Bahamas   |
|                           | <b>Q4 2011:</b> Advised Rita's Water Ice Franchise Company, LLC ("Rita's") on the sale of the Company to Falconhead Capital, LLC. Rita's is one of the largest franchisors in the frozen treat segment providing its customers delicious Italian Ice treats at affordable prices.  |
| CCG Advisors              | <b>October 2011:</b> CCG Advisors announced the acquisition of its client, Marshall Emergency Services Associates (MESA), a Lexington, Kentucky-based emergency department contract management firm, by Atlanta Equity.  |
| Croft and Bender          | <b>December 2011:</b> Dormir, a leading provider of respiratory durable medical equipment and services focused on sleep and respiratory disorders, has sold certain assets to a strategic buyer. Croft & Bender acted as the exclusive financial advisor to Dormir, a portfolio company of Noro-Moseley Partners, CHL Medical Partners, and Excel Venture Management.  |
|                           | <b>November 2011:</b> DTL Transportation, a transportation company focused on time and temperature sensitive cargo, has been acquired by L&R Acquisition Corp., Nancy Creek Capital, and Peachtree Equity Partners. Croft & Bender acted as the exclusive financial advisor to DTL Transportation.   |
|                           | <b>November 2011:</b> PODS, a leading provider of moving and portable storage for consumers and corporations, has acquired multiple franchisee markets. Croft & Bender acted as the exclusive financial advisor to PODS, a portfolio company of Arcapita and HarbourVest Partners  |
|                           | <b>November 2011:</b> Invested in PODS, a leading provider of moving and portable storage for consumers and corporations. C&B Capital invested alongside existing investors Arcapita and HarbourVest Partners as well as new investors New Mountain Capital, Golub Capital, and Nonami.  |
| Edge Healthcare Partners  | <b>Q4 2011:</b> Advised HospiceCare of Southeast Florida ("HCSEF") in its sale to HCR Manor Care, a portfolio company of The Carlyle Group. HCSEF has been providing community based hospice services to residents of Southeast Florida for over 30 years.   |
|                           | <b>Q4 2011:</b> Advised Atlanta Gastroenterology Associates ("AGA") in various strategic transactions with Northside Hospital, Inc. Headquartered in Atlanta, Georgia, AGA is one of the nation's largest providers of comprehensive gastroenterology services.  |
|                           | <b>Q4 2011:</b> Advised Gentiva Health Services, Inc. (Nasdaq: GTIV) in the sale of its Rehab Without Walls ("RWW") division to ResCare, Inc., a portfolio company of Onex. RWW is a leading national provider of home and community based neurorehabilitation therapies for patients with traumatic or acquired brain injury and cerebrovascular accident injury, as well as those with other complex rehabilitation needs.   |
|                           | <b>Q4 2011:</b> Advised Galen Advisors, LLC ("Galen") in its sale to Northside Hospital. Galen provides a comprehensive suite of revenue cycle management, practice analytics and other administrative services to physician practices, surgery centers, and other healthcare providers.   |

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FIG Partners **October 2011:** Fidelity Bank, unit of Fidelity Southern Corporation (NASDAQ: LION), has agreed to assume certain deposits and acquire essentially all of the assets of Decatur First Bank through a purchase and assumption agreement with the FDIC. Under the terms of the agreement, Fidelity Bank will assume approximately \$192 million in assets and \$179 million in deposits. The FDIC and Fidelity Bank also entered into a loss-share transaction on approximately \$112 million of Decatur First Bank's assets.

Flock Advisors **November 2011:** Represented the sale of the business of AID Associates, Inc. (d/b/a Plaza Associates ("Plaza")), a leading collections agency based in New York City, and A.C.B. American, Inc ("ACB"), a Kentucky-based collections agency to Plaza Recovery, Inc, a wholly owned subsidiary of United Recovery Systems, Inc ("URS"), based in Houston, Texas.

Focus LLC **December 2011:** Substantially all of the assets of Henkel Corporation's Corrosion Engineering business have been acquired by the ErgonArmor division of Ergon Asphalt & Emulsions, Inc. part of Ergon, Inc, in Jackson, MS. FOCUS represented Henkel Corporation in the transaction.

**October 2011:** Merchant Cash & Capital (MCC) has secured \$25,000,000 in senior debt financing from Comvest Capital and Community National Bank. FOCUS represented MCC in the transaction.

Genesis Capital **November 2011:** Genesis Capital is pleased to share the announcement that Spectrum Brands Holdings, Inc. (NYSE: SPB), a global consumer products company with market-leading brands, has acquired Black Flag and TAT from The Homax Group, Inc., a portfolio company of Olympus Partners. Financial terms of the all-cash transaction were not disclosed.

Mazzone & Associates **October 2011:** Advised Crown Asset Management in its successful mezzanine debt capital raise with private investors. Crown Asset Management is a leading professional receivables management firm with extensive expertise in acquiring, collecting and liquidating consumer receivables. Based in Duluth, Georgia, the company primarily purchases discharged consumer receivables at a significant discount to face value and, utilizing a combination of traditional collection methods combined with a legal collection strategy, typically recovers two to three times that investment.

Morgan Keegan **Q4 2011:** Morgan Keegan acted as the exclusive financial advisor in the following transactions:

- Callidus Software in its acquisition of Webcom.
- Gateway One Lending & Finance in its sale to TCF Bank.
- TelMap in its sale to Intel.
- Solta Medical in its acquisition of LipoSonix.
- RAIR Technologies in its sale to DriveCam, Inc
- March Networks in its sale to Shenzhen Infinova
- Interstate Oil Company in its sale to Slidell Oil Company.
- InnerChange in its sale to Cressey & Company.
- On-Site Fuel Service in its sale to CapitalSouth Partners.
- Republic Finance in the equity financing led by a strategic investment from Prudential Capital.
- Go-Coil in its sale to Pioneer Drilling
- W.M. Barr in its acquisition of Microban
- Vistaprint in its acquisition of Webs, Inc.
- Mail Contractors of America in its sale to Pat Salmon & Sons, Inc.

**Q4 2011:** Morgan Keegan completed equity offerings in the following companies:

- Enduro Resources Royalty Trus
  - Inergy Midstream
  - Senior Housing Properties Trust
  - Main Street Capital Corp.
  - CubeSmart
  - Education Realty Trust
  - Energy Transfer Partners
  - Plains All American Pipeline
  - Moneygram
  - National Retail Properties
  - Susser
  - Enterprise Product Partners
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**Q4 2011:** Morgan Keegan completed debt offerings for the following companies:

- The Goldman Sachs Group
- CubeSmart
- United Health Group
- International Paper Company
- Carrizo Oil & Gas
- Duke Energy Corp.
- Host Hotels & Resorts, L.P.
- Senior Housing Properties Trust
- Florida Power & Light Co.
- SESI

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| Murphy Business and Financial Services | <b>November 2011:</b> Matt Slappey of Murphy Business & Financial Corp of Decatur, GA represented the seller of a 30 year old wholesale/distribution company with revenues of \$25MM in the consummation of a sale of its assets to Imperial Trading Company, a Louisiana Company. The company provides product to convenience stores, liquor stores and gas stations in the southeast United States. Matt identified the buyer through investigation of competitors wanting to pursue acquisition growth strategies. |
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| The Lenox Group | <b>November 2011:</b> The Lenox Group announced the sale of Family Care, Inc. ("Family Care") to strategic buyer CareSouth Health System Inc. Family Care, headquartered in Richmond, VA, is a leading home health provider in the mid-Atlantic region offering elderly and disabled patients a range of skilled and personal care. |
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| TM Capital | <b>September 2011:</b> Vention Medical, a leading full-service medical device outsourcing company, has acquired the ATEK Medical Group. TM Capital served as the financial advisor. |
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**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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