



Overview

Founded in 1985, Gen Cap America (GCA) is a private investment firm headquartered in Nashville, Tennessee. GCA specializes in acquisitions and recapitalizations of middle market businesses. GCA is actively investing Southvest Fund V, L.P., a fund of approximately \$100 million that closed in March, 2005.

Investment candidates usually have revenues between \$5 and \$100 million and most are privately held businesses or subsidiaries and divisions of larger corporations. Investments are made in established businesses with demonstrated operating histories and quality management teams.

GCA is a partner with management teams who wish to invest in their companies by becoming part of the buying group. Recapitalizations are also structured for business owners who desire immediate liquidity yet wish to participate in the growth of their business by maintaining operating control.

Philosophy

GCA's primary objective is to partner with owners and management teams who have a willingness to operate and grow successful businesses. In all investments senior management is involved in equity ownership to give them a meaningful stake in the success of the business. Some of the benefits of working with GCA include the following.

- **GCA Experience** - GCA is one of the most established buyout firms in the Southeast and has been acquiring and growing successful businesses since 1985. Every GCA portfolio investment since inception has been profitable.
- **Support** - GCA assists in areas such as strategic planning, growth, financial management, and mergers and acquisitions. GCA's role is supportive and does not typically include involvement in day-to-day operations. Primary contributions are made through participation on the Board of Directors.
- **Access to Capital** - With funds available immediately, GCA is positioned to move rapidly towards finalization of an acquisition or recapitalization. In addition to the equity funds under management, excellent working relationships are maintained with many major lenders and outside equity sources.
- **Flexible Financing** - A wide variety of financing techniques are employed to successfully implement acquisition and recapitalization transactions. The goal is to tailor the transaction to accommodate the needs of all parties involved.
- **Equity for Management** - Ownership positions are offered to management in buyout transactions so those managers can be rewarded for the value that they help create. In recapitalization transactions, owners maintain an equity position and participate in the future growth of the business while at the same time accomplishing their immediate need for liquidity.



Structures

- **Management Buyout** - GCA is looking to partner with key management who wish to acquire a private company. Cash is paid to the seller and management is offered a sizeable equity stake in the newly capitalized company. Management retains operating control of the business and gains a strategic and financial partner in GCA.
- **Corporate Divestiture** - GCA also works with managers to purchase divisions from parent corporations. Typically, these divisions no longer strategically fit with the parent company's core business. GCA provides the financial backing that management needs to successfully complete the acquisition. The principals understand the complex issues related to a division becoming a stand-alone entity.
- **Recapitalization** - GCA also partners with owners who wish to liquidate a portion of their equity stake but wish to retain operating control of the company. This structure is ideal for owners who have immediate liquidity or estate planning needs but who wish to participate in the long-term growth in the value of their business. GCA's investment typically allows owners to eliminate personal guarantees.
- **Family Succession** - Younger family members can also be assisted in buying the ownership from the senior generation or from outside shareholders. In doing so, the active family members secure operating control and a significant equity ownership, while the elder selling shareholders achieve liquidity. This ensures that the business stays within the family and maintains its identity with the community.

Criteria

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| ✓ Middle Market Transactions | GCA targets private businesses or divisions of larger corporations typically with revenue between \$5 million and \$100 million. |
| ✓ History of Cash Flow | Acquisition candidates should have a history of strong cash flow. GCA does not target turnaround or startup situations. |
| ✓ Quality Management Teams | GCA seeks to partner with strong management teams that have a proven record of success and who wish to become co-owners with GCA. |
| ✓ Basic Industries | Manufacturing, distribution and basic service companies with strong market shares in focused niches are targeted. Real estate and high-tech opportunities are avoided. |



Team

Barney D. Byrd

President and CEO

Mr. Byrd founded Gen Cap America in 1985 and has been responsible for the firm's strategic planning and investment policy. Mr. Byrd received a B.A. from the University of Tennessee, a J.D. from Vanderbilt University School of Law and an M.B.A. from the Wharton Graduate School of Business.

Donald D. Napier, III

Executive Vice President

Mr. Napier joined Gen Cap America in 1995, after having been an active financial advisor to GCA on all of its investments since 1988. Prior to GCA, Mr. Napier managed the Corporate Finance departments of several large regional banks with the emphasis on middle-market merger and acquisition activities and merchant banking transactions. He holds a B.A. degree from the University of Virginia and a J.D. from the University of Houston.

Christopher T. Godwin

Vice President

Mr. Godwin joined Gen Cap America in 2005. Previously, Mr. Godwin was a Vice President with Draupnir LLC, a Chicago based private equity firm focused on middle-market buyout transactions. Prior to Draupnir, Mr. Godwin was a consultant for Arthur Andersen and was an equity research analyst for J.C. Bradford & Co. He holds a B.A. degree from Rhodes College and an M.B.A. degree from the University of Texas at Austin. Mr. Godwin is also a CFA charterholder.

Hayes Bryant

Vice President

Mr. Bryant joined Gen Cap in 2006 from UBS Investment Bank in New York City. At UBS, he focused on advising industrial and private equity clients on strategic and capital raising transactions. He holds a B.B.A. degree from Millsaps College and an M.B.A. degree from Vanderbilt University. He is also a CFA charterholder.

Stephen E. Blackmon

Operations Advisor

Mr. Blackmon serves on the board of directors of Gen Cap America portfolio companies and is an advisor on acquisitions and ongoing operations of the portfolio companies. Mr. Blackmon is President of Rogers Manufacturing Company. Previously, Mr. Blackmon was Vice President of National Operations for a management consulting firm. Mr. Blackmon graduated with a B.A. degree from the University of South Carolina.

Maclin P. Davis, III

Controller

Mr. Davis joined Gen Cap in 1985. Prior to that time Mr. Davis worked for Peat Marwick and Baker & Davis, both public accounting firms. He is a certified public accountant and received his B.S. degree from the University of North Carolina at Chapel Hill.



Portfolio

Myco Trailers

Management Buyout of Owner

Myco is a leading provider of custom designed boat trailers marketed exclusively to the high performance (offshore racing and poker run recreation) boating industry and to various governments for military use. The company distributes to both a national and international client base. Founded in 1974, Myco's headquarters and manufacturing facility is located in Bradenton, Florida.



Metro Boiler Tube Company, Inc.

Management Buyout of Retiring Owners

Established in 1989, Metro distributes, fabricates, and cuts tubing used in boilers serving a diverse group of industries including electrical utilities, pulp and paper, petrochemical, sugar, and numerous mechanical contractors. The company has its headquarters and main operations in Ringgold, GA and also has a facility in Gonzalez, LA.



Target Distributing

Management Buyout of Retiring Owners

Established in 1975 and located in Germantown, MD, Target is one of the top telecom equipment distributors in the nation. The Company specializes in the sale of telecommunications products, Audio/Video hardware, security equipment, and blank audio/video/data media. Target complements its product offering by providing its customers high value-added services such as leasing, extended warranties, training, and technical support. Target's customers include Resellers, Interconnects, Value Added Resellers and various Government entities..



Southern Filter Media, LLC

Management Buyout of Owners

Founded in 1973 and located in Chattanooga, TN, Southern Filter Media is a manufacturer and distributor of high-quality wet and dry environmental filtration products for application in various industries including aluminum, asphalt, cement, chemicals, foodstuffs, furniture, grain, mining, pharmaceuticals, steel, and woodworking.





Portfolio

Douglas Machines Corp.

Management Buyout of Corporate Spin-off

Douglas Machines is a leading designer, manufacturer and marketer of stainless steel washing and sanitizing equipment and systems principally for Bakery, Food Processing, Food Service and Distribution industries. Founded in 1979, Douglas is based in Clearwater, Florida.



Keltner Enterprises, LLC/KK&T Inc.

Management Buyout of Retiring Owners

Keltner is a leading distributor of motor oil, chemicals and parts to an expansive customer base. KK&T is a transportation company that serves as a freight provider to Keltner Distribution. Founded in 1952, Keltner is located in Springfield, Missouri.



Hobby-Lobby International, Inc.

Management Buyout of Owner

Hobby Lobby is a leading distributor and retailer of model airplanes, helicopters, boats and accessories. The company was founded in 1964 and is located in Brentwood, Tennessee. Hobby Lobby sells its merchandise over the Internet, through mail-order catalogs, walk-in traffic and other smaller hobby shops.



Wes-T-Rans

Management Buyout of Corporate Spin-Off

Wes-T-Rans is a leading provider of remanufactured truck parts as well as a distributor of a broad range of heavy-duty truck parts. The company is headquartered in Winnipeg and has branches in Regina, Thunder Bay, Dryden and Saskatoon.





Portfolio

Tennessee Mat Company, Inc. *Family Succession Buyout*



Located in Nashville, Tennessee, and founded in 1950, Tennessee Mat Company manufactures commercial matting products -- everything from entrance mats to anti-fatigue products to wheel chocks. In the fifty years since its inception, Tennessee Mat Company has significantly contributed to the advancement of matting technology and was the first to introduce anti-fatigue matting in 1963.

Narcote, L.L.C. *Management Buyout of Corporate Spin-Off*



Located in Piney Flats, Tennessee, Narcote L.L.C. coats and laminates a variety of fabrics such as cotton, polyester, nylon and rayon. These fabrics are used in various end user markets including allergy bedding protection, infant bibs, outerwear, and incontinent items. Narcote was created in 1955 as a division of North American Rayon to treat knitted rayon with polyvinyl chloride (PVC). Narcote coats and laminates for a variety of customers on a commission basis as well as offers a complete line of finished barrier fabrics.

EFT Source, Inc. *Management Buyout of Retiring Owners*



EFT Source, Inc. was established in 1986 and is based in Nashville, Tennessee. EFT personalizes plastic cards, primarily financial institution debit cards. The company's services include card graphics design, printing, encoding, embossing, and data processing services related to plastic card management and issuance. EFT primarily targets small to medium sized financial institutions.

S&K Associates, Inc. *Add-On Acquisition for EFT Source*

S&K Associates is located near Boston, Massachusetts, and has been in business since 1979. The company performs card conversion work for financial institutions as well as embosses ATM cards and debit cards. EFT has been a vendor to S&K for a number of years providing services relating to debit cards. This acquisition provides EFT with New England presence as well as an entrance into the card conversion business.



Portfolio

Cumberland Optical Company, Inc.

Management Buyout of Retiring Owner



Founded in 1959, Cumberland Optical, Inc. is middle Tennessee's largest independently owned full service optical lab. The company grinds, tints and coats eyeglass lenses as well as distributes eyeglass frames to individually owned and operated ophthalmologist and optometrist offices. The company primarily serves the area within a 400-mile radius of Nashville, Tennessee, Kentucky, Mississippi, Arkansas, North Carolina, South Carolina, Georgia, Florida and Alabama.

Ouimet Industries, Inc.

Management Buyout of Absentee Owner



Ouimet Industries, Inc. ("Ouimet") was formed in Massachusetts in 1940 by Emil Ouimet to produce leather shoe trim products for the footwear industry. The Nashville, Tennessee, operations were commenced in the late 1940's. By 1989 the manufacturing operations in Massachusetts had been fully relocated to Nashville. Ouimet has expanded its product lines and customer base and today manufactures and sells vinyl and canvas material to the medical, shoe, belt, bookbinding, and small leather products industries. Products are sold in rolls of various thickness, colors, and patterns to companies manufacturing knee braces, footpads, canvas sneakers, boots, notebooks, and other items.



Portfolio

Hackett Precision Company

Management Buyout of Corporate Spin-Off



Hackett Precision Company ("HPC") was established in 1960 as a tooling and special machinery builder in Nashville, Tennessee. In June 1989, GCA and HPC management purchased HPC from Gleason Corporation. HPC's niche since its founding has been to provide top quality and on time deliveries. HPC has built on this track record and progressively grown its manufacturing operations. The services HPC performs, be it furnishing small replacement parts or complex robotics, have made it as diversified as its customers' requirements.

Contact

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