



THE SPECTRUM CAPITAL GROUP, LLC
Investment & Merchant Bankers

**Discussion Materials
Private and Confidential**

Introduction to The Spectrum Capital Group, LLC

INTRODUCTION

National Practice

The Spectrum Capital Group, LLC is a New England based investment and merchant banking firm with a national practice focused on the strategic and financial interests of middle market companies.

Experience

Spectrum's partners have successfully executed dozens of transactions as business owners, investment bankers and investors. These transactions, in the fields of corporate finance, mergers & acquisitions, corporate reorganizations, private equity and venture capital have several billion dollars in aggregate value.

Broad Industry Coverage

Spectrum's range of industry experience includes:

- Consumer Products
- Wholesale/Distribution
- Manufacturing
- Business Services
- Consumer Services
- Multi-Unit Retail
- Internet/Technology
- Energy
- Healthcare
- Transportation/Logistics

Focus on Maximizing Value

Spectrum uses an investment-driven approach to assist clients in defining strategy and discerning alternative means of maximizing corporate value.

Commitment

In certain situations, Spectrum will act as a merchant banker, co-investing alongside its clients and other investors.

Skills

Our experience as business owners, bankers, CPAs, CFPs, CVAs, lawyers, investors and operators provides a unique blend of experience and perspective that is genuinely appreciated by the business owners that we serve as well as their other professional advisors. We are known for devising creative strategies that resolve complex, and sometimes seemingly intractable, financial challenges.

ADVISORY SERVICES

The Spectrum Capital Group understands the dynamics of the transactional process that are key to maximizing value and achieving a successful result

Mergers & Acquisitions

- Exit Planning/Harvest Strategy
- Business Sales
- Acquisition Strategy - - Development and Target Sourcing
- Management Buy-Ins and Buy-Outs
- Leveraged Buys-Outs
- Industry Roll-ups
- Non-Core Asset/Business Unit divestitures
- Public Company Carve-Outs

Corporate Finance

- Private Equity (Preferred or Common)
- Debt Capital Raises (Secured, Unsecured, Mezzanine)
- Recapitalizations - - control or minority investors
- Debt/Equity Swaps
- Debt Exchanges
- Bridge Financings
- DIP and Exit Financing
- Leasing/Sale Leasebacks

Special Situations

- Distressed M&A (buy side/sell side)
- Section 363 and UCC Article 9 Sales
- Chapter 11 Advisory
- Out-of-Court Creditor Workouts
- Shareholder Disputes
- Trade Payables Restructurings
- Lease Restructurings
- Viability Analyses

Strategic Advisory

- Operational & Financial Strategic Assessments
- Evaluation of Strategic Alternatives for Maximizing Stakeholder Value
- Litigation Support & Expert Testimony
- Valuation & Fairness Opinions
- Strategic Partnerships / Joint Ventures
- Independent Board Representation
- Interim CEO, CFO or CRO

The Spectrum Capital Group works with its capital partners and management teams to identify, close and manage investments through a successful exit

Strategy

- Create Value Through Partnering with Existing or New Management
 - Control Positions and Non-Control Positions
 - Healthy and Distressed Companies
 - Clear Path to Growth in Profitability
-

Sectors of Interest

- Consumer Products
 - Niche Manufacturing
 - Wholesale/Distribution
 - Business/Consumer Services
 - Multi-unit Retail
 - Energy
 - Transportation/Logistics
 - Safety/Security Services and Products
-

Transaction Types

- Expansion, growth, consolidation strategy, management buy-outs and management buy-ins, corporate spin-offs
 - Revenues \$5 million to \$100 million
 - EBITDA up to \$10 million
 - Owner liquidity/succession/estate planning
 - Transaction structures to benefit exiting sellers and management
 - Prefer Northeast, but will look at all US opportunities
 - Hold period not limited by fund life
 - Practical capital structures
-

SELECT ADVISORY TRANSACTIONS

We acted as both exclusive restructuring advisor and investment banker to the debtor



in its successful consummation of a Chapter 11 Plan of Reorganization
Total Debt \$107 million

We acted as exclusive financial advisor to



Last Mile Delivery And Logistics Solutions

and its owner



in the successful refinancing of the Company's \$130+ million credit facilities

We acted as exclusive financial advisor to



A \$100 million NASDAQ listed company

has divested its

Inform Segment

to

VAISALA

We acted as exclusive financial advisor to



A \$100 million NASDAQ listed company

has been acquired by



Trinity Industries, Inc.

We acted as exclusive financial advisor to

PrimaMarketing LLC

a licensed operator of 83 locations of



completed a \$26 million refinancing with



We acted as both exclusive restructuring and financial advisor to the debtor



in the successful restructuring of more than \$100 million of debt and the confirmation of Plan of Reorganization



A leading New England fire protection contractor was acquired by



We served as financial advisor to Midland Fire Protection, Inc.

We acted as exclusive financial advisor to



in its recapitalization through an investment by Greg Nethery,

CAPITALSOUTH

and



Harbert Mezzanine Partners III

We served as financial advisor to a Strategic Buyer from

Furr's Grocery Store

in its sale of seventy grocery store locations

We acted as exclusive financial advisor to



A \$600+ million Private Equity Group

As the Chapter 11 Stalking Horse bidder in its acquisition of



SELECT ADVISORY TRANSACTIONS (cont'd)



GE Capital

The Spectrum Capital Group, LLC served as financial advisor and provided expert testimony to GE Capital in a \$350 million arbitration involving American International Group.



1100+ stores primarily in New England. Evaluated strategic alternatives involving a shareholder deadlock and litigation.

We served as financial advisor to a major shareholder group



McBRIDE

A \$150+ million value-added reseller of computer related products and services, has restructured its senior debt and trade payables in an out-of-court restructuring.

We served as financial advisor to McBride & Associates



a niche specialty manufacturing company, was sold to a

Private Investor Group

The Spectrum Capital Group served as financial advisor to Team Specialty Products



has sold its Georgia Division consisting of forty-two stores to a

Private Investor Group

The Spectrum Capital Group served as financial advisor to Exprezit!

We acted as exclusive financial advisor to

PrimaMarketing LLC

a licensed operator of 83 7-Eleven locations



in its \$52 million restructuring



has sold its Florida Division consisting of ninety-eight stores to

PHILLIPS OIL

The Spectrum Capital Group served as financial advisor to Exprezit!



The Spectrum Capital Group served as financial advisor to Clean Harbors Environmental Services in litigation relating to a \$35 million subordinated debt restructuring with John Hancock Insurance.



The nation's second largest Jiffy Lube franchise, with 200+ stores, restructured over \$80 million of securitized debt in an out-of-court restructuring.


The Spectrum Capital Group served as financial advisor to the jiffy lube franchisee




The Spectrum Capital Group served as financial advisor to Liberty International Underwriters in connection with litigation involving Lorai Space & Communications.




SELECT ADVISORY TRANSACTIONS (cont'd)



A portfolio company of




has closed
\$30,000,000
of Subordinated Financing with



in a recapitalization of its balance sheet

The undersigned served as exclusive investment bankers and strategic financial advisors to J.Jill



THE SPECTRUM CAPITAL GROUP, LLC
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DRI Corporation

has been acquired by



Luminator

a portfolio company of




LLCP

The undersigned served as exclusive investment bankers and strategic financial advisors to DRI




THE SPECTRUM CAPITAL GROUP, LLC
Investment & Merchant Bankers



a Rhode Island-based designer and marketer of novelty housewares, accessories, party goods and other related specialty gift items


has been acquired by



LIFETIME BRANDS

a publicly traded (NASDAQ:LCUT) global provider of branded housewares products, based in Garden City, New York

The undersigned served as exclusive investment bankers and strategic financial advisors to Fred & Friends



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Case Studies in Recent Complex Transactions

Spectrum's clients and professional peers know that we are creative, both analytically and practically, and that we are relentless in our efforts to succeed.

CASE STUDY: FAST TRACK BUSINESS SALE

FRED & FRIENDS

Situation Overview

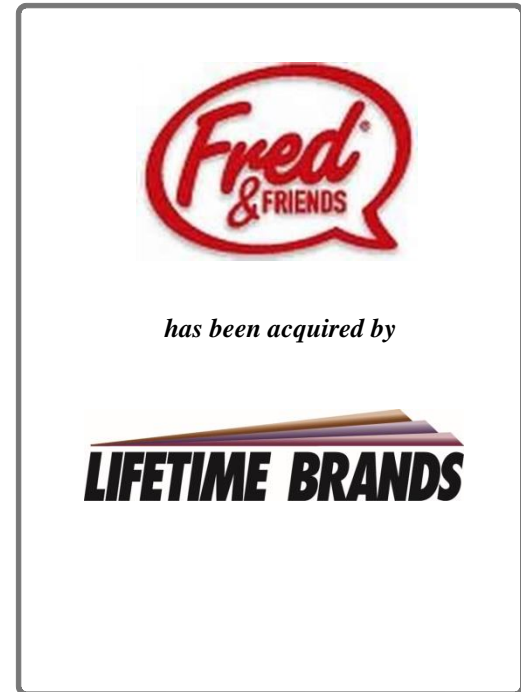
After 30+ years of operating his business, the owner of Fred & Friends, a rapidly growing and highly profitable Rhode Island-based middle market designer and marketer of novelty housewares, accessories, party goods and other related specialty gift items, wished to either sell his business or, if his pricing expectations were not met, to invest in the infrastructure needed to bring the business to the next level.

Engagement Goals

Spectrum was engaged to identify and execute the Company's optimum exit strategy while ensuring that the business' employees and brand name continued in good hands. In order to maximize value, the sale transaction would have to close before the expiration of the advantageous capital gains tax rate then in effect.

Engagement Outcome

After extensive analysis, Spectrum's principals recommended and negotiated a sale to a strategic buyer, Lifetime Brands (NASDAQ:LCUT), a global provider of branded housewares products, based in Garden City, New York. Spectrum closed the transaction working with the company's other professionals within 90 days of engagement.



CASE STUDY: CHAPTER 11 REORGANIZATION

SOUTHWEST GEORGIA ETHANOL LLC

Situation Overview

Southwest Georgia Ethanol LLC, (“SWGE” or the “Company”) a 100 million gallon ethanol manufacturing facility with \$107 million of senior secured debt engaged the principals of Spectrum as its strategic financial advisors and investment bankers (“Spectrum”).

The Company faced a liquidity crisis when the price of corn (ethanol’s primary cost input) increased relative to the price of ethanol, severely impacting the Company’s gross (crush) margin. The two-year old Company also experienced a series of costly operational difficulties at its plant.

With its reduced liquidity and a near-term maturity of a portion of its senior debt, SWGE required new capital that its existing lenders would only make available as a DIP loan under Chapter 11. After Spectrum assisted in arranging the DIP facility, SWGE filed Chapter 11 on February 1, 2011 with no agreement of any kind regarding the ultimate outcome of the case.

Engagement Goals

Spectrum was engaged to advise SWGE in developing, negotiating and consummating a Plan of Reorganization on a timely and low-cost basis that (i) maximized the Company’s reorganization value, (ii) allowed some recovery for junior creditors (including bondholders) and equity holders, (iii) de-levered its balance sheet, (iv) and provided adequate liquidity on a post-confirmation basis.

Engagement Outcome

Spectrum helped SWGE emerge from Chapter 11 in only eleven months with no debt on its balance sheet and a potential recovery for its equity holders, even with a majority of the Company’s bank debt having been purchased at a discount by a control-seeking hedge fund during the proceedings.

With its liquidity restored, the Company was able to substantially improve its operations and profitability while in Chapter 11, and to consummate a \$20 million revolving facility as few months thereafter.

We acted as both exclusive restructuring advisor and investment banker to the debtor



in its successful consummation of a Chapter 11 Plan of Reorganization and its closing of an exit financing facility

CASE STUDY: MERCHANT BANKING

EXPREZIT!

Situation Overview

Spectrum partnered with management to pursue an acquisition and operational turnaround of this 200+ unit convenience store chain operating in the Southeastern United States. Spectrum's partners were active board members directing corporate strategy and in some cases implementing those strategies on behalf of the Company.

Goals

- Evaluate and implement best practices at the store level
- Remerchandise stores
- Rebrand the stores
- Develop better vendor relationships
- Implement store level employee training
- Build management team
- Exit in 4-5 years

Outcome

The business achieved all of its goals in 3 years. After turning around the operations, the Company improved EBITDA by 7x and sold off groupings of stores by region to the most likely buyers...the local competition, who were willing to pay the highest price for the obvious synergies and also as a defensive measure to avoid another competitor entering the market.

The Spectrum Capital Group, LLC has taken a substantial minority investment in



SPECTRUM ENGAGES IN BUSINESS RELATIONSHIPS, NOT JUST TRANSACTIONS

We believe our clients deserve the most candid reflection of our thoughts, opinions and advice. By providing this we forge relationships that are the cornerstone of Spectrum's and our clients' success.

"Spectrum's advice was critical in our acquisition process. Their participation on our team increased the certainty that we were going to succeed."

Michael R. Beauregard, Partner - Huron Capital Partners

"We've worked on a number of challenging transactions with Spectrum and have been consistently impressed by their creativity, energy and ability to work constructively with the deal team."

Gary Marsh, Partner - McKenna, Long & Aldridge

"Spectrum's guidance is very reassuring. They're strategic and analytical. They understand what's needed to make a transaction happen and then they execute it."

Troy Seymour, President - Exprezit! Convenience Stores

SPECTRUM'S PRINCIPALS

MIKE LEDERMAN

MANAGING PARTNER

Mr. Lederman co-founded Spectrum in 1998, having gained experience leading major transactions as a lawyer (with Sidley Austin and Shearman & Sterling), an investment banker (co-founder of The Gordian Group and the restructuring group at Goldman Sachs), and as an investor (general partner of Japonica Partners and The Fulcrum Capital Group). He has more than 30 years of experience in M&A, raising financing through the capital markets, and in restructuring public and private companies. Mr. Lederman has completed dozens of transactions as both advisor and principal, including the first-ever unsolicited takeover of a billion dollar public company while in Chapter 11 (Allegheny International, renamed Sunbeam-Oster upon emergence). He has also served in senior management positions and as a member of the Board of Directors of companies in which he has invested.

Mr. Lederman graduated from the University of Pennsylvania, summa cum laude, and was elected to Phi Beta Kappa. Mr. Lederman received his M.B.A. from the Darden School of Business at the University of Virginia and his J.D. from the University of Virginia School of Law. He is the national treasurer and board member of The Jewish National Fund. Mr. Lederman holds the FINRA Series 7 (General Securities), 79 (Investment Banking), 82 (Private Securities Offering) and 63 registrations as a representative of StillPoint Capital, LLC.

JOE SANDS

FOUNDING PARTNER

As a founding partner, Mr. Sands advises business owners and other stakeholders in the context of debt and equity financings, buy-side and sell side M&A, growth initiatives, valuation, exit/succession planning as well as restructurings and workouts for financially distressed companies. He has over 20 years of experience as both an advisor and investor with clients in manufacturing, multi-unit retail, transportation/logistics, distribution, direct marketing, technology, business services and consumer products. In addition to his general investment banking practice, Mr. Sands also focuses on building Spectrum's merchant banking business via direct investments in companies where Spectrum and its partners can provide valuable expertise or experience.

Prior to forming The Spectrum Capital Group, Mr. Sands was a Vice President at Fulcrum Capital Advisors LP, an investment bank serving consumer products companies. Mr. Sands was the Director of Corporate Development and Treasurer for a rapidly growing direct marketer and manufacturer of children's clothing, which ultimately became the largest direct marketer of children's clothing in the US. Early in his career, Mr. Sands was a CPA with Arthur Andersen & Company in New York City, and a financial associate at Merrill Lynch in New York City. Mr. Sands graduated summa cum laude from the George Washington University (Accounting and Finance) and Columbia Business School's MBA program. Mr. Sands is a licensed CPA (inactive), Certified Valuation Analyst, Certified Insolvency and Restructuring Advisor, Certified Turnaround Professional and holds the FINRA Series 7 (General Securities), 79 (Investment Banking), 82 (Private Securities Offering) and 63 registrations as a representative of StillPoint Capital, LLC.

SPECTRUM'S SENIOR TEAM

LENNY LOZINSKY

MANAGING DIRECTOR

Lenny Lozinsky joined Spectrum Capital in October 2013 as a Managing Director in the firm's Boston office. He brings over 20 years of entrepreneurial experience leading and advising business, business owners and executives on all stages of development, from initial capital raise to exit. Experienced in a variety of industries, Mr. Lozinsky has led and participated in M&A transactions in the IT & Software, Energy & Clean-Tech, Business & Financial Services, Logistics & Operations, Transportation, Consumer Goods, and Wholesale & Distribution sectors. Prior to joining Spectrum, Mr. Lozinsky was a Managing Director with LockeBridge Investment Banking, where he advised middle-market clients on a variety of transactions, including buy-side and sell-side M&A advisory assignments, debt and equity capital raises, valuations, and strategic advisory services to middle market public and private companies. During the early 1990's, Mr. Lozinsky co-founded and built an international marketing and distribution company that he grew to an \$85M multinational enterprise prior to a successful exit in 2006. Mr. Lozinsky began his professional career as an IT consultant advising numerous Fortune 500 financial institutions, including CitiCorp, Chase Manhattan Bank, Fidelity Investments, Bank of Boston, Scudder and Putnam Investments.

Mr. Lozinsky holds a Master's of Science degree (MSEE) from the St. Petersburg State University of Technology and Communications (Russia), and an MBA degree from Babson's Olin School of Business. He is also an accomplished fellow with the Leading Clean Energy Ventures program, administered by the New England Clean Energy Council in partnership with the Boston University School of Management. Mr. Lozinsky is a founder and a president of the M&A Club Boston, and a member of Executive Committee of Provisors.

SCOTT MORRISON

MANAGING DIRECTOR

Mr. Morrison* joined Spectrum in July 2014 as a Managing Director in the firm's Bristol office. He has over 25 years of experience in researching, trading and executing financings in the equity, credit and futures markets. He was an equity research analyst for industrial companies at Goldman Sachs; Morgan Stanley; Donaldson, Lufkin and Jenrette; and Credit Suisse-First Boston and was ranked by both Institutional Investor Magazine and the Wall Street Journal for his research. Mr. Morrison worked on equity and debt financings totaling over \$2 billion during his time on Wall Street. He is also an experienced manager of an investment management business having raised over \$200 million in capital from institutional investors, family offices and high net worth individuals.

Mr. Morrison received a BA degree from Bennington College. Mr. Morrison holds the FINRA Series 82 (Private Securities Offering) and 63 registrations as a representative of StillPoint Capital, LLC. He has held board and officer positions in a number of non-profit organizations as well as elected office in his town of residence.

TOM BENDHEIM

DIRECTOR

Mr. Bendheim has over 20 years of experience in advising and running businesses from start-ups to multi-billion dollar global corporations. He has worked in a number of industries including consumer packaged goods, direct marketing, retail, Internet, fashion apparel, manufacturing, real estate, and health care. Mr. Bendheim has experience with corporate finance, mergers and acquisitions, corporate reorganizations, private equity, and strategic advisory work in cash flow management, operational efficiencies, organizational structure, marketing, and post-merger integration. Mr. Bendheim was President and CEO of The Colibri Group, 35-year old consumer products company with revenues in excess of \$100 million. Mr. Bendheim restructured the company and re-positioned its brands while growing sales and profits. Prior to running the Colibri business, Mr. Bendheim worked for Credit Suisse's private equity group identifying and evaluating potential acquisitions. Currently he is Chairman of Kicking Mule, a start-up specialty beverage company.

Mr. Bendheim began his career at Bain & Co. and later McKinsey and Co. serving as a management consultant to multiple clients in diverse industries. Mr. Bendheim earned a B.A., *Magna Cum Laude*, from Tufts University, and, as a Lauder Institute Fellow, received an M.B.A. from the Wharton School of Business and an M.A. in International Studies from the University of Pennsylvania.

SPECTRUM' S SENIOR TEAM

FOR ADDITIONAL INFORMATION:

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