

**WESTVIEW UPDATE**

**JANUARY 2007**

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**2006 ACTIVITY**



WestView Capital Partners, L.P.  
completed a management-led buyout of



February 2006



WestView Capital Partners, L.P.  
completed a majority recapitalization of

**BODY CENTRAL**

October 2006



WestView Capital Partners, L.P.  
completed a minority recapitalization of



November 2006



Executive Health Resources  
completed the sale of its

Clinical Staffing Solutions Division



November 2006

**THE WESTVIEW TEAM**



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## THE WESTVIEW RECAP

### THE WESTVIEW RECAP: ACHIEVING LIQUIDITY WITHOUT LOSING CONTROL

Over 15 years and thousands of conversations with management teams of lower middle market companies, we have found that traditional growth and liquidity financing options do not fit all situations. Without institutional investor sponsorship, banks can be hesitant to stretch beyond traditional formulas and personal guarantees. Mezzanine debt can carry a heavy interest payment burden which can restrict long-term growth in favor of short-term financial performance. A traditional buyout may achieve the liquidity objectives of some shareholders, but conflict with the desires of the owner/operators who have no interest in selling control of their company. We founded WestView to be flexible in accommodating these dynamics.

WestView seeks to partner with exceptional managers who wish to continue running their businesses, see the potential for future growth but also desire liquidity for their shareholders and/or themselves. WestView invests in healthy, growing and profitable companies in support of their management teams. WestView has a proven history of working in either a minority or majority ownership position. This control-agnostic approach increases the number of alternatives that intermediaries can offer their clients, thereby increasing the likelihood of completing a transaction. In particular, with a minority recapitalization, your client can achieve partial liquidity and still maintain control of their company.

WestView's investments in OneNeck IT Services, Executive Health Resources and TriTech Software Systems epitomize our unique minority recapitalization investment philosophy. In each of these instances, the founding management teams held significant ownership stakes in their businesses and had reached a crossroads in their respective company's lifecycle. Many of the following characteristics existed at each company: (i) a critical mass of clients and operational infrastructure had been achieved along with meaningful growth, (ii) strategic acquirers had begun to contact the company, (iii) non-active management and/or management shareholders desired some liquidity and (iv) the founders felt a significant growth opportunity remained ahead and, as a result, did not want to sell their company outright. "We had a number of strategic buyers contact us, but we saw significant growth opportunities and value creation ahead," said Chris Maloney, CEO of TriTech Software Systems. "WestView's approach was a refreshing alternative that enabled us to achieve the liquidity goals of certain shareholders, while still retaining control of our company." In each of these investments, WestView provided a customized financing solution that achieved the liquidity objectives of existing shareholders while appropriately capitalizing these businesses for the growth that lay ahead.

When Dave Pryor, CEO of Radiac Abrasives, was given the opportunity to lead a management buyout of the Company he had been running for over a decade, he selected WestView as his partner. "WestView's investment philosophy brought the flexibility that accommodated the needs of our primary owner while achieving our objectives as operators who wanted to become more meaningful shareholders."

WestView's strategy is to invest in exceptional businesses with outstanding management teams. While we do not get involved in the day-to-day operations of our portfolio companies, we do work side-by-side with management to help them achieve their objectives. Since 1990, our principals have helped portfolio companies raise over \$1 billion in additional capital and consummate more than 100 acquisitions. In addition, a significant number of operating executives (many of whom are prior portfolio company executives) have invested in our fund. Having built successful businesses, these professionals can offer valuable strategic guidance to our portfolio company management teams. Ultimately, our goal is to partner with outstanding management teams who believe in their businesses and work with them to realize a second, larger liquidity event in the future. We look to partner with management teams who want to keep doing what they do best – operating their businesses.

## FEATURED PORTFOLIO COMPANY

### ONENECK IT SERVICES: A LEADER IN MIDDLE MARKET ERP OUTSOURCING WITH A FOCUS ON PRIVATE EQUITY-BACKED COMPANIES

In the mid-1990's, Chuck Vermillion and his IT colleagues at Fiberite, a middle market manufacturing company, went looking for a one-stop vendor to support their ERP system on an outsourced basis. When they found limited options for middle market companies like theirs, they formed a company to provide the solution. Soon thereafter, OneNeck IT Services was born. OneNeck is a provider of IT outsourcing services to middle market companies. The Company's outsourcing services include application management, database administration, data center operations, functional business process support, disaster recovery and desktop outsourcing.

After several years of growth, OneNeck was recognized in 2005 as one of the fastest growing companies in Arizona. After another year of solid customer growth and retention, we congratulate them this year for being recognized by The Black Book of Outsourcing as the leading provider of outsourced ERP application management services globally.

Many of OneNeck's clients are backed by leading buyout and private equity firms. OneNeck's value proposition is uniquely suited to address many areas of importance to private equity-backed companies, including: (i) cost savings, (ii) operational efficiencies and improvement, (iii) risk mitigation and (iv) leveraging existing investments in IT. OneNeck has significant experience in working with private equity firms to diligence, design, build and/or run ERP systems for existing portfolio companies or pending buyouts. In particular, OneNeck has significant expertise in working with buyers of corporate divisions as they navigate the many challenges of transitioning onto their own IT infrastructure. To our friends in the buyout community, we urge you to consider partnering with the team at OneNeck.



OneNeck®

ERP Outsourcing Solutions

**OneNeck IT Services**  
Scottsdale, Arizona  
[www.oneneck.com](http://www.oneneck.com)

OneNeck IT Services Corporation is a provider of IT outsourcing services to middle market companies. The Company's outsourcing services include application management, database administration, data center operations, functional business process support, disaster recovery and desktop outsourcing.

*Parameters for Add-on Acquisitions Currently being Sought*

- \$3+ million in annual revenue
- Vertical market or ERP platform support expertise



**Executive Health Resources**  
Newtown Square, Pennsylvania  
[www.ehrdocs.com](http://www.ehrdocs.com)

Executive Health Resources (EHR) is a provider of clinical revenue cycle management solutions to hospital systems nationwide. EHR's services assist hospital clients in managing payor denials, improving hospital efficiency and maintaining governmental claims compliance.



**Radiac Abrasives**  
Salem, Illinois  
[www.radiac.com](http://www.radiac.com)

Radiac Abrasives is the second largest manufacturer of bonded abrasive and super abrasive grinding wheels in the United States.

*Parameters for Add-on Acquisitions Currently being Sought*

- Manufacturer of super abrasive grinding wheels or custom bonded abrasive grinding wheels
- \$3+ million in annual revenue

**BODY CENTRAL**

**Body Central**  
Jacksonville, Florida  
[www.bodyc.com](http://www.bodyc.com)

Body Central, a leading specialty retailer of apparel and accessories, offers distinctive merchandise to young women at exceptional values. The Company operates over 170 stores across 23 states under the Body Shop and Body Central names. The Company also offers its products nationwide through its fast growing mail-order catalog and ecommerce operations.



**TriTech Software Systems**  
San Diego, California  
[www.tritech.com](http://www.tritech.com)

TriTech Software Systems is a provider of enterprise and mobile communication software and services to public safety customers. TriTech's solutions are used by 911 call centers and police, fire and emergency medical services agencies to respond to, process, dispatch and communicate emergency responses.

*Parameters for Add-on Acquisitions Currently being Sought*

- Provider of public safety software and services
- Provider of records management software
- \$3+ million in annual revenue

## WESTVIEW INVESTMENT CRITERIA

WestView Capital Partners is a \$195 million private equity fund focused exclusively on partnering with managers of lower middle market companies in North America to help them achieve the strategic, financial and operational objectives of their businesses.

**Transaction types:** Minority and majority recapitalizations, acquisition financings, growth financings, buyouts and consolidations

**Investment size:** \$5 to \$25 million. Larger investments can occur through direct co-investment of our limited partners and other co-investors

**Company criteria:**

- Consistency and growth in historical financial performance
- Operating profits between \$3 and \$15 million
- Sustainable competitive advantages and strong market position

**Targeted industries:**

- Business Services
- Healthcare Services
- Distribution and Logistics
- Media and Publishing
- Industrial and Manufacturing
- Consumer Products and Retail
- Environmental Services