

FRISCO CAPITAL



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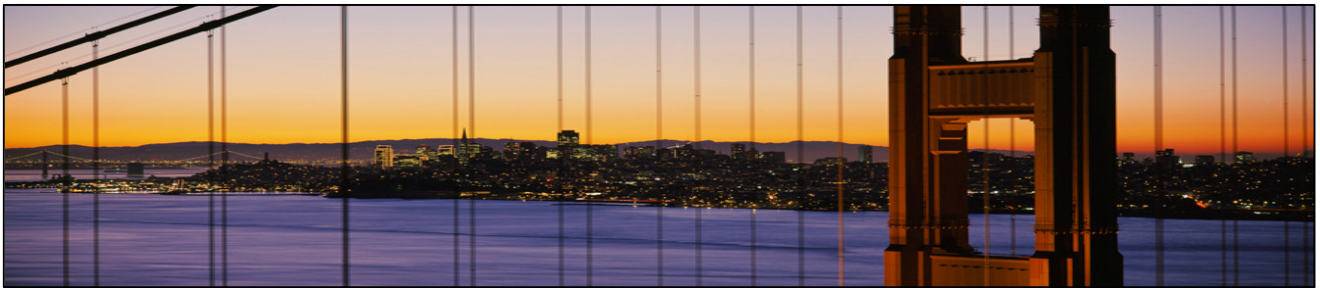


FRISCO CAPITAL

Overview

Frisco Capital is a private investment fund formed to locate, acquire, and operate a small to mid-sized company while increasing its value using proven management methodologies and capital restructuring as needed. We look for profitable companies in growing industries. Frisco Capital represents the capital and experience of a team of seasoned operators, entrepreneurs, and investors that are dedicated to creating long-term value. Our energetic management team is committed to ensuring the long-term growth while preserving the culture, reputation, and customer relationships of any investment it undertakes. We have the ability to close deals quickly without the need for extensive bank financing and we offer attractive liquidity options for owner/operators seeking to exit the day to day management of their business.

We provide liquidity to business owners, supply capital for growth and ensure continuity to customers, employees and the community. We operate in an ethical and principled manner based on deeply held values of integrity, hard work, fairness, and transparency.



Objective

Frisco Capital's sole mission is to build long-term value through acquiring, operating and growing a privately held business. Value creation may include extensions of existing product and service lines, augmenting sales and marketing functions, improving internal work processes, and employing innovative incentive and HR programs. It may also include external growth, when appropriate, through additional acquisitions and expansion into new service lines and geographic territories. We seek to partner with highly ethical management teams that share our enthusiasm and hands-on approach to building and growing world-class enterprises.

About Us

Frisco Capital was formed by a team of experienced operators, entrepreneurs, and investors with the express purpose of creating long-term value in the companies in which it invests and operates. Frisco Capital is a private investment fund formed to locate, acquire, and operate a great company while increasing its value using proven management methodologies.

We are a private investment partnership formed by a seasoned group of entrepreneurs, business executives, and investors who are passionate about building and growing small to mid-sized companies that are dedicated to creating long-term value. We are different from most traditional private equity firms in that we take an active role in managing the day-to-day operations of our companies. Following an investment, our Managing Partner will relocate to the business and assume a full-time management position, allowing the owner/operator to gain liquidity and transition out of a daily operating role. We focus on established and profitable companies in growing industries.

Our Value Proposition for Sellers

At Frisco Capital, we understand that building a successful business requires years of hard work and dedication. We provide access both to capital and to an energetic management team that is focused on building long-term value. We have the ability to close deals quickly without the need for extensive bank financing and we offer attractive liquidity options for owner/operators seeking to exit the day to day management of their business. In addition, we offer a divestiture option for divisions that no longer fit with their company's broader strategic plan.



FRISCO CAPITAL

Our team is committed to the long-term success of the business that we acquire and, as such, we value the employees, culture, and customer relationships that helped to make it successful. We recognize that successful companies are built through the hard work of its employees earning customer loyalty. It is because of this awareness that we commit ourselves to creating mutually beneficial relationships with potential sellers and their company's management team, staff, and customers. We believe these relationships form the foundation upon which the Frisco management team can partner to drive profitable growth for employees and shareholders. We operate in an ethical and principled manner based on deeply held values of integrity, hard work, fairness, and transparency.

Our adviser team is comprised of a well respected group of executives, entrepreneurs, and investors. Collectively, these individuals have extensive and diverse experience in managing, investing in, and growing businesses. Frisco Capital's managing partners will have the counsel of this team to complement their decades of management experience in operating businesses to help ensure long-term success of the business.

Our Commitment to You

Reasonable Timeframes and Discrete Transactions

Our investors have combined experience in hundreds of transactions. This gives us the expertise to quickly and effectively address and resolve issues that may arise during a change of ownership. This includes issues related to taxation, estate planning, and the needs of family members who may remain with the company. We also understand an owner's desire to minimize disruption to his or her business and we will exercise the highest degree of confidentiality.

Commitment to Integrity and a Fair Deal

Frisco Capital is committed to conducting all business and negotiations with the highest standard of integrity. Our backgrounds as builders and founders of businesses means we will be respectful of your time and will work with you in a forthright manner. We are looking for a fair deal and we are not interested in negotiating the last dollar from a seller. We will pay a fair price to ensure a healthy transition from the current owners.

Flexible Deal Structures

Frisco Capital has the ability to tailor the financing of the transaction to accommodate a seller's lifestyle and tax planning needs. We are open to the possibility of ongoing owner involvement and/or equity in the business where it makes sense.


Continuity

Frisco Capital is committed to the continuity of company reputation, employee development, and customer care. We believe that retaining a company's current employees, preserving its culture, and building a strong relationship with existing management is critical for long-term success. Frisco Capital will work with current employees to ensure a smooth transition and fair treatment of the people who have contributed significantly in building a company.

We Build Long-Term Value

Frisco Capital's partners have extensive operating experience and will be operating the company on a day-to-day basis after completing the acquisition. They are incentivized to manage the company for long-term profitability and, as such, are not interested in flipping a company for short-term returns. Our goal is to work to build long-term value for employees, shareholders, customers and the community.



	 FRISCO CAPITAL	Strategic Acquirers	Private Equity
Orientation	Growth	Purchase an asset	Maximize returns
Investment Horizon	Long-term	Varies	3-5 years
Source of Capital	Frisco Capital's Existing Partnership	Public & Private Funds	Institutional
Expertise	Growing small to medium sized businesses	Managing a larger organization	Financial Engineering
Transaction Structure	Terms driven by needs of owners	Agreement structured to protect corporation	Deal terms driven by lenders and institutional investors
Importance of Employees	Critical Element of Growth Strategy	Varies	Varies
Commitment	Full time management and dedicated board of directors	One of many divisions	One of many portfolio companies
Future Role for Current Owner	Flexible	Same or none	Same with increased responsibility and reporting requirements

Our Value Proposition for Intermediaries

Frisco Capital appreciates the important role that business intermediaries play in completing an investment. Advantages to partnering with Frisco Capital include:

World-class investor base

Our team is made up of highly successful entrepreneurs, operating executives and investors who have a strong track record for building and growing small to mid-sized businesses.

Significant financial resources

Our investors manage several hundred million dollars of personal and investor capital and have deep relationships with lenders and service providers.

Accelerated closing process

Our experience acquiring and operating businesses allows us to quickly evaluate new investment opportunities, anticipate issues early on and accelerate the closing process.

Solutions for retirement-ready owners

We are well suited for opportunities with management teams in transition or retirement-ready owners. As a result, we value companies fairly and structure investments that reflect the company's history of success and opportunities for growth regardless of the owner/operator's ongoing involvement in the business.

Attractive finders' fees

We are always seeking to expand our relationships with business intermediaries and offer attractive buy-side finders fees.



Acquisition Process

Step	Time Commitment
Sign Confidentiality Agreement	< 1 week
Review general company and financial data	Owner dependent
Discuss data with owner	1-2 hours
Indication of Value	1 week
Visit the business	1 day
Follow up discussions post visit	1-2 hours
Detailed information request	Owner dependent
Offer Letter of Intent (LOI)	3 Weeks after receipt of information
Due Diligence	30-60 days
Closing	1 week

Investment Focus

Company	Financial	Industry	Situational
<ul style="list-style-type: none"> ▪ Recurring revenue business model with durable competitive advantages ▪ Minimum three-year history of profitable growth ▪ Loyal and diverse customer base with high retention rates ▪ Strong middle management team and culture of quality and teamwork ▪ Readily identifiable growth opportunities 	<ul style="list-style-type: none"> ▪ Revenues ranging from \$8 to \$50 million ▪ EBITDA \$1.5-6M ▪ EBITDA Margin of 15% or greater ▪ Limited capital expenditure and working capital requirements ▪ Stable and recurring cash flows ▪ Transaction value of \$10-50M 	<ul style="list-style-type: none"> ▪ Fragmented niche industries ▪ Growing Markets ▪ Low external risk factors <p>Representative Industries include:</p> <ul style="list-style-type: none"> • Business Process Outsourcing • Environmental Services • Healthcare services • Maintenance and Support Services • Information Technology and Software services ▪ <i>We do not</i> invest in turnarounds or startups 	<ul style="list-style-type: none"> ▪ Owner/operator seeking to retire without pre-identified successor ▪ Company in need of additional management and board expertise to capture long-term growth opportunities ▪ Owner/operator in need of liquidity and wishing to diversify personal net worth ▪ Generational and management transitions



FRISCO CAPITAL

Team

Frisco Capital represents the capital and experience of a team of seasoned business operators, entrepreneurs, investors and leaders. In addition to providing access to substantial capital, these investors bring years of experience in assessing investment opportunities, managing acquisitions and ownership transitions, and growing businesses in a variety of industries. They are investing their personal assets in Frisco Capital and will serve as advisors and directors in any Frisco Capital acquisition. As a result, any company in which Frisco Capital invests stands to benefit from the advice and guidance of some of the nation's most successful business leaders.

Dwight Wardlaw – Managing Partner

Dwight Wardlaw is the founder and Managing Partner of Frisco Capital and is responsible for origination, transaction structuring, and management of acquired companies. He brings more than 15 years of professional experience and a deep background in general management, sales, marketing, operations, and growing businesses. Prior to founding Frisco Capital, Dwight was responsible for the field sales operations of York International/Johnson Control's Houston business unit where he helped the company achieve triple-digit revenue and double digit market share growth. Prior to his promotion to management, Dwight was a sales representative for the company where he consistently earned national recognition for his top and bottom-line revenue performance. In addition to his operations and sales experience, Dwight completed an internship in corporate finance at Sanders Morris Harris and co-founded a small record label. Dwight holds an MS in management from Stanford University's Graduate School of Business, an MS in engineering from Tulane University, and a BS in engineering from Texas A&M University.

Ramon Rick – Associate

Ramon Rick has contributed to Frisco Capital since its initial formation and supports the managing partner in fund raising, lead generation, business due diligence, assessment of potential value creation and acquisition execution. He served as Associate in the Strategic Investments Group of Deutsche Bank Securities, evaluating investments in real estate and consumer credit, while prior to Deutsche Bank, Ramon developed interest rate trading strategies at asset manager Barclays Global Investors. Ramon currently pursues a PhD in applied physics at Stanford University, and he also enjoys instructing student pilots at Stanford Flying Club. Ramon holds a MS in applied physics from Stanford and a BS in electrical engineering from Baden-Württemberg Cooperative State University.

Contact Us

If you would like to learn more about Frisco Capital, LLC or discuss a specific investment opportunity, please contact us by phone or email.

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