



Charterhouse Group - Summary Investment Criteria

Charterhouse Group seeks to invest in established middle-market businesses with enterprise values between \$50 million and \$300 million through a variety of private equity transactions including buyouts, build-ups and growth capital financings. The firm will also consider an investment opportunity where an enterprise value is initially less than \$50 million if the prospective platform company is suited for rapid growth through a strategy such as a build-up (where add-on acquisitions are identifiable and achievable within the specific industry). Charterhouse will also participate in larger transactions through co-investments with our limited partners and/or through strategic corporate relationships.

Charterhouse's objective is to invest at least \$30 million into each portfolio company over the life of each investment and the firm will consider opportunities that require equity capital up to \$150 million. The 'sweet spot' equity investment range is \$40 million to \$60 million. Current sectors and sub-sectors of interest include the areas listed below where the firm is presently working with executives from the Charterhouse Entrepreneur Program.

In the current environment, Charterhouse is sourcing a significant number of opportunities to make minority preferred stock investments in entrepreneur-owned, closely-held and sponsor-controlled deals (as well as in public entities). We are very interested in exploring these types of non-control situations - especially where high-quality companies are unable to tap the strained financial markets. Charterhouse would look to invest at least \$20 million in such opportunities.

HEALTHCARE SERVICES

- **Provider, Payer and Other Outsourcing Services**
- **Alternate Site Healthcare - Inpatient and Outpatient**
- **Disease and Utilization Management Services**
- **Contract and Program Management Services**
- **Behavioral and Mental Health Services**
- **Home Healthcare**
- **Specialty Payers and Related Services**
- **Pharmacy Benefit Management**
- **Pharmaceutical Outsourcing Services**
- **Specialty Distribution and Supply Services**
- **Healthcare Information Technology**
- **Long Term Care**

BUSINESS SERVICES

- **Business Process Outsourcing**
 - Benefit administration, billing and customer relationship management
 - Other niches, where technology can be used to deliver better service
- **Specialty Maintenance and Repair**
- **Waste Management and Recycling**
- **Logistics**
 - Brokerage models, asset-light and non-asset based models, expedited freight and reverse logistics
- **Vendor Management**
- **Energy Services**
 - Asset-light, non-commodity price risk opportunities
- **Specialty Distribution**
 - Strong non-cyclical sectors
- **Information Management Services**
 - Regulatory compliance and risk management
- **Marketing Services**
- **Education**
- **Security and Security Services**
- **Transaction Processing / Information Processing**

CONSUMER PRODUCTS AND SERVICES

- **Consumables**
 - Food, snack and confections
 - Wellness innovators; organic and natural; specialty and ethnic
 - Beverage
 - Wellness innovators; upscale brands
 - Household Products
 - High performance; innovators
 - Organic and natural
 - Ingredients
- **Health and Beauty Aids (HBA)**
 - Personal Care Products
 - Nutritional and Dietary Supplements
 - OTC Products
- **General Merchandise / Durables**
 - Innovators and companies with distribution/marketing opportunities in select areas including: pet products; housewares and home related (hard goods/soft goods); travel products; auto products; educational products; lawn and garden products; luxury products; sports/recreational products; and, select areas within accessories and specialty apparel

CHARTERHOUSE GROUP - SUMMARY ENTREPRENEUR CRITERIA

Charterhouse is continuously seeking to develop its group of Entrepreneurs within the industry sub-sectors outlined above and within other 'to be shaped' sub-sectors. Summary definitions and the criteria for the types of individuals that we seek are as follows:

Entrepreneur Group 1 - CEOs - This group includes senior managers who have had at least ten years of experience with profit and loss responsibility for businesses generating at least \$75 million in revenue. This category includes former or existing Chief Executive Officers, Presidents, General Managers, Chief Operating Officers and, in certain instances, Chief Financial Officers or other highly seasoned, senior executives.

Entrepreneur Group 2 - Chairmen or Board Directors - This group is primarily comprised of individuals who have already been senior executives of leading companies and achieved certain levels of financial independence through building and ultimately selling a privately-held business, a division of a public or a foreign company and/or a public entity. This group may also include individuals who have a specific sector focus (in one of Charterhouse's aforementioned areas) and/or who may possess non-traditional operating experience - received through specialty industry consulting or other work.

CHARTERHOUSE EQUITY PARTNERS IV - CURRENT PORTFOLIO COMPANIES



Camelot Schools (Austin, TX) - Leading provider of services to youth and adolescent populations in both the behavioral health and education markets. Camelot conducts its operations through residential treatment facilities, therapeutic day schools and alternative educational facilities (2006)



Chamberlin Edmonds & Associates (Atlanta, GA) - The market leader in providing specialized eligibility determination services to America's hospitals. CEA guides uninsured patients through complex application processes to secure government and community reimbursement for uncompensated medical care expenses (2008)



Charter Baking Company (Boulder, CO) - North America's leading organic and natural baked goods company (products include breads, rolls, buns and granola) with premier industry brands: Rudi's Organic, Vermont Bread Company and The Baker (2005)



Colo4 (Dallas, TX) - A leading provider of carrier-neutral colocation data center services. With a 68,000-square-foot, state-of-the-art data center, the Company is dedicated to protecting, connecting and powering its customers' mission-critical information assets.



MxEnergy, Inc. (Stamford, CT) - Leading retail marketer of natural gas and electricity contracts to over 465,000 residential and small commercial customers in 15 states and within two provinces in Canada (2004)



NewPath Networks (Seattle, WA) - Design develops and operates distributed antenna system ("DAS") networks, which enable wireless carriers to provide capacity and coverage in areas where building a conventional tower is impractical. NewPath works with telecommunications carriers, including AT&T, Verizon and T-Mobile, to develop transmission solutions in areas with high-traffic or difficult coverage situations (2009)



SuddenLink (formerly known as Cebridge Connections, Inc.) (St. Louis, MO) - The eighth largest U.S. cable operator, serving approximately 1.2 million customers in the central and southern states (2006)



Towne Holdings, Inc. (South Bend, IN) - Leading full-service provider of premium air cargo ground logistics transportation services (2005)



Upstream Rehabilitation, Inc. (Phoenix, AZ) - Platform company conducting a build-up in the outpatient rehabilitation services industry (2004)

CHARTERHOUSE EQUITY PARTNERS IV – RECENT PORTFOLIO COMPANY REALIZATIONS



Amerifit Brands (Cromwell, CT) - Leading marketer of nutritional supplements and wellness related products, including ESTROVEN® - the premier all natural nutritional supplement focused on relieving the symptoms of menopause, AZO™ - the leading OTC brand of products for pain relief and alleviation of symptoms of urinary tract and yeast infections and Culturelle - the leading probiotic supplement (2005) **(Sold in February 2010)**



Lason, Inc. (Troy, MI) - National provider of integrated information management and business process outsourcing solutions to the financial services, healthcare, government, manufacturing and industrial markets (2004) **(Sold in February 2007)**



LogistiCare, Inc. - Leader in the non-emergency medical transportation (NEMT) service sector providing services to governmental agencies and other human services organizations (2004) **(Sold in December 2007)**

For more detailed information, please visit the respective sections of our website at www.charterhousegroup.com.

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