

Providing private equity capital to
high growth middle-market companies.



Since 1983,

DFW Capital Partners has been an active private equity investor supporting the development of high growth Business Services, Industrial Services and Healthcare-related Services companies.

DFW CAPITAL PARTNERS

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Founded in 1983 to provide private equity capital to high-growth middle-market service companies. DFW actively manages several pools of committed private capital, with over \$200 million in aggregate funded commitments. Our funding sources include large institutional investors as well as numerous high net worth individuals and family trusts. Through a subsidiary, DFW also operates a licensed SBIC.

Providing Equity for established companies looking to grow, both internally or through acquisition, and for management-led buyouts. We prefer to be the "first institutional money in" and are generally represented on the boards of directors of our portfolio companies. We also seek attractive co-investment opportunities with other established private equity firms.

Focused Investment Strategy targeting Business Services, Industrial Services and Healthcare-related Services. DFW focuses on service companies taking advantage of the accelerating trend toward outsourcing of both non-core functions and entire business processes. Service companies which utilize technology, in a proprietary or unique way, are of particular interest to DFW.

Support and Flexibility by delivering funding capacity for growth beyond the "small company" threshold. We generally invest between \$5 million and \$10 million per transaction from our funds under management. Substantially greater funding is possible through inclusion of our significant institutional limited partners. DFW also frequently works with senior and subordinated debt sources to provide companies with a "turn-key" financing package. DFW has a flexible investment mandate, capable of providing growth capital on a minority or majority ownership basis. DFW can also fully sponsor management buyouts or recapitalizations as a controlling investor.

Long-term Approach and strategy are applied to our investment activities. Once an investment is made, DFW adds value through active participation on the company's board. We do not get actively involved in day-to-day operations. Rather, we work with top management in identifying key strategic growth areas, recruiting senior-level executives, identifying and supporting add-on acquisitions, and providing access to additional private and public capital. Over the past 15 years, DFW has closed 29 platform investments and over 55 add-on acquisitions on behalf of our platform companies.



Donald F. DeMuth - General Partner

Don co-founded DFW in 1983, after a 14 year career with Kidder, Peabody & Co. At Kidder, Don was a senior investment banker responsible for origination and execution of capital markets and M&A assignments for dozens of industrial and services companies, both middle market and Fortune 500 in size. Don served as head of the firm's audit committee, a Director and voting shareholder. During his tenure with Kidder, Don was also actively involved with the investment activities of KP Ventures, the firm's private equity vehicle. Don began his career with IBM as a systems engineer. Don graduated from Rutgers University with a BA and BS in Electrical Engineering and received an MBA from Harvard University.



Thomas W. Folger - General Partner

Tom co-founded DFW in 1983. Previously, Tom was with Kidder, Peabody & Co. for 24 years, where he was a leading high technology research analyst and head of the research department for many years. Tom later established and led the firm's high technology corporate finance practice. Tom was also a Director and voting shareholder. Tom holds both a BS and an MS in Mechanical and Electrical Engineering from the Massachusetts Institute of Technology and an MBA from Harvard University.



Keith W. Pennell - General Partner

Keith joined DFW in 1998 as a General Partner from First Atlantic Capital, a New York based middle-market LBO investment firm. He was with First Atlantic for six years, four years as a Partner. While at First Atlantic, Keith was responsible for sourcing, structuring, executing and monitoring portfolio investments in a broad range of industries. Prior to First Atlantic, Keith spent several years arranging private equity and debt financing with the investment banking group of Dean Witter. Keith holds a BA in Economics and Art History from Middlebury College.



John F. Hindelong - Senior Advisor

John joined DFW as a Senior Advisor, to assist the firm in developing new investment opportunities in the health services field. John's focus is also to bring industry insights and resources to bear with respect to DFW's existing health services investments. John is renowned as one of the leading health services analysts on Wall Street, holding the most Institutional Investor annual number one rankings of any healthcare analyst. Recently retired from Credit Suisse First Boston, which he joined in connection with CSFB's merger with Donaldson, Lufkin & Jenrette, John enjoyed a 30 year investment career with several major Wall Street firms. John holds a BS in Accounting from St. Peters College and an MBA from Fairleigh Dickinson University.



Robert C. O'Leary, Jr. - Principal





Bob joined DFW as a Principal from Quantum Value Partners, a middle-market private equity firm focused on manufacturing technologies and services. Prior to Quantum, Bob was a Principal with TenX Capital Partners, a private equity firm affiliated with Cerberus Capital Partners, where he focused on business services investments. Previously, Bob was a principal with Indosuez Capital, a merchant bank providing senior debt, subordinated debt and equity financing in support of leveraged acquisitions across a broad range of industries. Bob holds a BA in Economics from Vanderbilt University and an MBA from Columbia Business School.

DFW Capital - Investment Criteria - Portfolio Investments

Company Size	<ul style="list-style-type: none">• Run-rate revenues of at least \$20 million	<ul style="list-style-type: none">• Enterprise values of less than \$100 million
Investment Size	<ul style="list-style-type: none">• \$5 million to \$10 million per transaction	<ul style="list-style-type: none">• Up to \$40 million with support of limited partners
Form of Investment	<ul style="list-style-type: none">• Convertible Preferred Stock• Common Stock	<ul style="list-style-type: none">• Preferred Stock with Warrants• Subordinated Debt with Warrants
Form of Transaction	<ul style="list-style-type: none">• Growth Capital Financing• Management Buyout Sponsorship	<ul style="list-style-type: none">• Acquisition Financing• Recapitalization Financing
Control Requirements	<ul style="list-style-type: none">• DFW Ownership or board control not required	
Areas of Interest	<ul style="list-style-type: none">• Business Services <i>IT Services; Financial Management Support; Sales & Marketing Support, Outsourced HR Services</i>• Industrial Services <i>Logistics Management; Operation Support; Infrastructure Build-out; Contract Manufacturing</i>• Healthcare-related Services <i>Outsourced Business & Administration; Pharmaceutical business support services</i>	
Areas of No Interest	<ul style="list-style-type: none">• Real Estate transactions• Start-up or early-stage investments• Pure R&D companies	

DFW Capital - Investment Criteria - Add-On Acquisitions

DFW is currently seeking add-on acquisitions on behalf of several of its portfolio companies, which meet the following criteria:

<u>DFW Portfolio Company</u>	<u>Industry</u>	<u>Revenues</u>	<u>Key Attributes</u>
 COMET LEARNING	Consumer and retailer instructional solutions	\$2MM+	Web-based or traditional instructional software for retail channels
	Manned security services	\$5MM+	Northeast focus, traditional guard, special events security and investigative services
	Skilled nursing and assisted living	\$10MM+	Non-urban, Western US markets; skilled nursing focus, balanced mix of private/government pay
	Information Technology Staffing and Consulting	\$10MM+	Northeast/Mid-Atlantic; Fortune 500 client base; client-server focus; Web development skills; 10%+ EBITDA margins; FDA Software Validation Services; Clinical staffing and technology support

DFW Capital - Portfolio Companies

	<u>Company</u>	<u>Revenues</u>	<u>Business</u>
	Closing Guard <i>Fairfax, VA</i>	\$22 million	Residential real estate closing and settlement services.
	Comet Learning <i>Lexington, MA</i>	\$3 million	Consumer and retailer instructional solutions
	Consolident <i>Miami, FL</i>	\$35 million	Dental practice management
	Copstat Security <i>Bronx, NY</i>	\$34 million	Manned security services
	Fleetwash <i>Fairfield, NJ</i>	\$60 million	Mobile vehicle fleet washing services
	HFSC Holdings <i>San Diego, CA</i>	\$40 million	Funeral services in secondary markets
	Peak Medical <i>Albuquerque, NM</i>	\$240 million	Skilled nursing and assisted living
	Sportvision <i>Chicago, IL</i>	\$12 million	Broadcast and interactive services for Sports content enhancement
 	VersaTech Holdings <i>Piscataway, NJ</i>	\$47 million	Information technology and medical staffing

DFW Capital - Prior Investments

<u>Company</u>	<u>Business Description</u>	<u>Status</u>
Altera <i>San Jose, CA</i>	User-programmable logic devices	Public
APT <i>Columbia, SC</i>	Automotive aftermarket and small engine filters	Sold to SPX Corporation for cash
CompuPharm <i>Whippany, NJ</i>	Unit-dose pharmaceutical services for long term care facilities	Sold to GranCare for public stock
First Page USA <i>Alexandria, VA</i>	Paging services	Sold to Metrocall for public stock
GeoQuest Systems <i>Houston, TX</i>	Seismic data interpretation software	Sold to Raytheon for cash
Great Lakes Health Plan <i>Southfield, MI</i>	Medicaid HMO	Sold to United Healthcare for cash
IEC Electronics <i>Newark, NY</i>	Contract electronics manufacturing	Public
Matcom International <i>Alexandria, VA</i>	Federal IT services	Sold to SI International for cash
Micrion <i>Peabody, MA</i>	Semi-conductor production equipment	Public; sold to FEI for cash and public stock
o2wireless Solutions <i>Atlanta, GA</i>	Turnkey wireless infrastructure services	Public, merged with Baran Group, Ltd.
Oriel <i>Stratford, CT</i>	Electro-optic instruments manufacturing and catalog sales	Sold to ThermoVision for cash
Pathology Consultants <i>Nashville, TN</i>	Pathology laboratory services	Sold to AmeriPath for stock
Patriot Sensors <i>Clawson, MI</i>	Industrial sensors and controls	Sold to Ametek for cash
Premier Medical Services <i>Oakland, CA</i>	Home healthcare personnel and catalog sales	Sold to Pediatric Services for public stock
Sheridan Healthcare <i>Hollywood, FL</i>	Multi-specialty physician outsourcing	Sold to a financial buyer for cash

DFW Capital - Prior Investments

Taylor Medical <i>Beaumont, TX</i>	Medical supplies distribution	Sold to Physician Sales and Service for public stock
USB <i>Milwaukee, WI</i>	Small merchant credit card processing	Sold to Fifth Third Bancorp for cash
Vitamins.com <i>Falls Church, VA</i>	Multi-channel vitamin and nutritional supplements retailer	Sold to Healthcentral.com