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AN M&A ADVISOR SPECIAL FEATURE

Middle Market M&A Toasts its Top Dealmakers at The Fourth Annual M&A Advisor Awards Dinner

The sense of drama was palpable at The Fourth Annual M&A Advisor Awards Dinner on December 5, 2005. The elite of middle market dealmakers had assembled to celebrate the past year's outstanding transactions: not just the winners, but all the nominees in the 22 categories in which Awards were given. "Once more, we found our middle market dealmakers surpassing themselves with transactions of high quality and stunning originality," said Roger Aguinaldo, Publisher and CEO of The M&A Advisor. "I dream that the world, through these Awards, will take notice of middle market M&A and finance and their contribution to the economy," he concluded.

"I dream that the world, through these Awards, will take notice of middle market M&A and finance and their contribution to the economy."

In most cases, the winners had just that little "extra" that distinguished them from the universal aura of innovation, persistence, and drive that brought them and the rest of the nominees into the competition. Here are The M&A Advisor's 22 Award winners for 2005:

AN M&A ADVISOR FEATURE

Selling a Business – A View from the Seller's Side by Arthur M. Nathan and E. Scot Dixon

Want a heart attack? Start a business. Want another one? Sell it.

The decision to sell a business is a potentially life-altering one. Sellers are often understandably reluctant to turn over the ownership and operation of their "baby" to another person, and are leery of trading a known commodity (a business and its history of profitability) for a potentially unknown one (e.g., stock in another company that buys the business).

But careful planning of the business sale transaction can alleviate many of these concerns.

Major Awards

U.S. MIDDLE MARKET DEAL OF THE YEAR

Modine Aftermarket merges with Transpro, forming Proliance International –

Nominated by Robert W. Baird & Co., Inc.

Seeking to rationalize its product offerings in the marketplace, a manufacturer of auto parts, aided by an astute team headed by investment bankers at Robert W. Baird & Co., sold its consumer aftermarket division to a company to be owned jointly with a firm specializing in aftermarket sales. At the same time, it acquired its new partner's OEM division. The complex transaction was ruled eligible for tax-free treatment under a sophisticated "Reverse Morris Trust" structure. The result has been a win for all the parties.

INTERNATIONAL / CROSS BORDER DEAL OF THE YEAR

Castle Harlan Partners IV, LP acquires Polypipe Building Products, Ltd. from IMI plc –

Nominated by Brown Gibbons Lang & Co.

A determined American private equity purchaser and its equally steadfast investment bankers at Brown Gibbons Lang & Co. and Livingstone Guarantee won over a skeptical British seller and outbid a group of savvy European rivals to acquire an established manufacturer of construction materials. The acquisition has brought a solid performer into the acquiror's portfolio.

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PLANNING/LETTER OF INTENT PHASE

Get the Professionals Involved Early

An owner needs to get his or her company's professional advisors (accountants and attorneys) involved ASAP. Accounting professionals have a great deal of "institutional" knowledge of the financial condition of the company and can prepare an audited set of financial statements. At the very least, the accountants can produce professionally prepared and reviewed financials that are drawn up in accordance with generally accepted accounting principles (GAAP), an item of major importance to potential buyers.

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**QUICK
GLANCE
DEALS**

A MONTHLY REVIEW OF
MIDDLE MARKET
ACTIVITY OF INTEREST

CONSUMER

Matrix Capital Markets Group, Inc. has announced the closing on substantially all of the assets of **Angus I. Hines, Inc.** t/a **Sentry Food Mart**, located in the Tidewater and Western regions of Virginia. The overall transaction involved multiple closings on 45 locations. **The Pantry, Inc.** (NASDAQ:PTRY) closed on the purchase of 23 stores in August 2005, **B&L Investments** closed on the purchase of five stores in September 2005, and various purchasers closed on 17 stores over the past three months. **Matrix** served as the exclusive financial advisor to the seller, Angus I. Hines, Inc. and Tom Kelso, Managing Director and head of the Energy and Multi-Site Retail Group at Matrix, managed the transaction. "It was a great pleasure doing business with Mr. Hines and his team, and we feel extremely proud to have worked with them on this opportunity. We were able to maximize the value of their assets and conclude a highly successful transaction," said Kelso. Sentry Food Mart stores sell convenience merchandise and branded motor fuels, primarily **Shell** and **Citgo**. Contact: Tom Kelso, Managing Director, (804) 780-0060; tkelso@matrixcmg.com.

The Hain Celestial Group, Inc., a natural and organic food and personal care products company, has completed its merger with **Spectrum Organic Products, Inc.** Under its terms, Spectrum shareholders will receive \$0.7035 per share, after deducting for excess company expenses. Spectrum manufactures and markets natural and organic culinary oils, vinegars, condiments,

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ROGER'S CORNER

Become a Person of Value *by Roger Aguinaldo*

"Try not to become a man of success, rather try to become a man of value." – *Albert Einstein*



Last night, I watched my 4-month old daughter figure out how to bottle-feed herself. I stood over her as she used her tiny hands and short fingers to prop up the bottle and manage to get the nipple of the bottle into her little mouth. She sucked the formula from the bottle like she always does, but this time without the assistance of another human being. A few times, since the bottle was too heavy, it fell to the side and I had to hand it back to her. Without missing a beat, she took the bottle and started eating the formula again. To me, this was a minor miracle: just a week ago, at 3 months and 3 weeks old, she was beginning to learn that she had little hands and short fingers. After a week of struggle and practice, her persistence has paid off.

Like my 4-month old, as M&A professionals, we need to learn again how to feed ourselves. Sometimes we need the assistance of others. Sometimes we need just to observe others in how they do things. They become role models. There are a lot of successful

people in the middle market M&A industry that we can use as role models. Over the next few issues we're going to present to you some of these role models of success. Many of them have received accolades in the form of being a finalist or winning an M&A Advisor Award.

Success begets success, of course. But as Einstein advised, success should not be your goal, but providing value should be. Network with the Award winners and finalists listed in the past two newsletter issues and show them the value that you can provide to them. Also take a look at the league tables on these pages of the most active corporate and private equity buyers, investment bankers, and lawyers in the smaller, middle market deals. You won't find a better list of role models anywhere.

Just by networking with the Award winners and finalists and the league table firms providing them value, you should be well on your way to being able to feeding yourself for the New Year!

Happy dealing!

| Most Active Acquirors, 2005 (\$10M-\$100M) | | |
|--|---------|--------------|
| | # Deals | Value (\$MM) |
| Cisco Systems Inc. | 9 | 395.50 |
| IMI plc | 3 | 75.40 |
| Carlyle Group, The | 3 | 131.20 |
| Advent International Corporation | 2 | 155.00 |
| EM Warburg Pincus & Co. LLC | 1 | 20.70 |
| Stora Enso Oyj | 1 | 25.77 |
| Mitsubishi Corporation | 1 | 80.18 |
| Deutsche Bank | 1 | 100.00 |
| 3i Group plc | 1 | 38.30 |
| Intel Capital Corporation | 1 | 52.00 |

| Most Active Advisors, 2005 (\$10M-\$100M) | | |
|---|---------|--------------|
| | # Deals | Value (\$MM) |
| Jefferies & Company Inc. | 27 | 1,307.03 |
| Houlihan Lokey Howard & Zukin | 26 | 1,169.02 |
| UBS | 18 | 1,348.25 |
| Citigroup Inc. | 18 | 1,322.52 |
| KPMG Corporate Finance | 15 | 602.08 |
| Sandler O'Neill & Partners | 13 | 647.47 |
| JP Morgan | 12 | 590.85 |
| Credit Suisse First Boston Corp. | 11 | 749.80 |
| Robert W Baird | 11 | 563.54 |
| Merrill Lynch | 9 | 555.20 |

| Most Active Vendors, 2005 (\$10M-\$100M) | | |
|--|---------|--------------|
| | # Deals | Value (\$MM) |
| 3i Group plc | 8 | 297.51 |
| El Paso Corporation | 4 | 212.62 |
| General Electric Company | 1 | 45.50 |
| CVC Capital Partners Ltd | 1 | 95.00 |
| Bridgepoint Capital Ltd | 1 | 98.40 |
| Apax Partners | 1 | 55.00 |
| JP Morgan | 1 | 12.00 |
| Barclays Private Equity Ltd | 1 | 54.05 |
| BP plc | 1 | 33.50 |
| Shareholders | 1 | 55.63 |

| Most Active Law Firms, 2005 (\$10M-\$100M) | | |
|--|---------|--------------|
| | # Deals | Value (\$MM) |
| Jones Day | 42 | 1,994.68 |
| Clifford Chance | 12 | 599.96 |
| Eversheds | 13 | 593.70 |
| Shearman & Sterling | 11 | 501.87 |
| Sullivan & Cromwell | 7 | 478.10 |
| CMS Cameron McKenna | 8 | 394.89 |
| Weil Gotshal & Manges LLP | 7 | 366.39 |
| Allen & Overy | 12 | 362.92 |
| King & Spalding LLP | 7 | 362.84 |
| O'Melveny & Myers | 9 | 361.80 |

AN M&A ADVISOR FEATURE

Selling a Business - A View from the Seller's Side

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Also, finding an attorney who is an M&A specialist becomes crucial in this stage. The owner should keep in mind that he or she is usually dealing with a larger entity (very often the buyer is a large publicly traded company or sophisticated group of professional investors), and can be certain that the buyer will be using an M&A specialist on its side of the deal.

Get the Company Organized

The owner then has to put the books and records in order. The owner should get a due diligence book together, suitable for delivery to a potential buyer and its advisors, which would include: (i) ownership records *"Sellers usually prefer stock sales over asset sales ..."* for the company and its subsidiaries (e.g., articles of incorporation, bylaws, partnership agreements, lists of shareholders and/or partners, together with numbers of shares or partnership interests owned, etc.); (ii) financial statements; (iii) lists of major assets (equipment leased or owned, major items of real property); and (iv) major contracts, leases, credit facility documents, insurance policies, employee benefit information, and the like.

The Importance of the Letter of Intent ("LOI")

The deal points of the transaction will often first be memorialized in an LOI. A well drafted, detailed LOI can save a great deal of time, attorneys' fees, and exasperation at the definitive-agreement stage. To avoid scaring off a prospective buyer with an obviously attorney-prepared LOI, the owner can have the M&A attorney ghostwrite it or prepare the LOI jointly to impart a businesslike flavor to its language.

Among the benefits of a well-drafted LOI are:

- Provides an additional level of assurance that negotiations will be successful before incurring the expense of negotiating a definitive acquisition agreement;
- Provides both parties with access to confidential information to help them determine if they wish to consummate the deal;
- Memorializes in some detail most of the significant terms of the understanding (including representations and warranties), making it more difficult for misunderstandings and convenient loss of memory later during the negotiations of the final agreement; and
- Creates a "moral commitment" to use good faith best efforts to consummate the transaction in accordance with the agreed-upon terms.

Confidentiality

One very important point for any business owner is that they should not release due diligence information such as financial information, customer lists, contracts, etc. without a binding confidentiality agreement or a binding confidentiality provision in the LOI. Sellers should always keep in mind that the prospective buyer is also a competitor in most instances.

STRUCTURING THE DEAL FROM THE SELLER'S SIDE (DEFINITIVE AGREEMENT)

Stock Sale vs. Asset Sale

Sellers usually prefer stock sales over asset sales (meaning that sellers generally prefer to sell the business by transferring the ownership interests in the corporation, partnership, or other applicable entity rather than simply selling the assets of the business). Also, sellers want the liabilities to go along with the assets (in an asset sale, the seller will typically keep many or most of the liabilities). In a stock deal, the seller generally does not continue to be liable for the pre-closing operations of the Company. Another issue important to sellers is that many of the company's contracts will have an express prohibition on assignment without consent, which will be a problem if the sale includes transferring the contracts directly to a buyer along with other assets in a straight asset sale. On the other hand, many contracts surprisingly are silent as to whether the sale of the ownership of the company is an assignment, and in this way the tedious and time-consuming task of seeking consents from dozens of contracting counterparties can be avoided when the ownership interests are sold.

Merger Alternative

If both the Company *and* the buying entity are corporations, and the seller is receiving part of the purchase price in the form of stock in the buying company, the seller should strongly consider structuring the transaction under one of the tax-free reorganization provisions of Section 368 of the Internal Revenue Code. If the transaction qualifies under an applicable subsection of Section 368 of the Code, the stock portion of the consideration may be tax-free.

Indemnification for Pre-Closing Liabilities

Sellers are often asked to indemnify the buyer for post-closing damages incurred by the buyer in connection with breaches of the representations, warranties and covenants made by the seller in the definitive agreement. As a seller, an owner should avoid a blanket indemnity for claims relating to *all* operations of the Company prior to closing. Usually, a seller can avoid a blanket indemnity by structuring the transaction as stock deal (whether in the form of a true stock sale or a merger) and tie all indemnities only to the breach of a representation, warranty, or covenant. In an asset deal, by contrast, often there a blanket indemnity by the seller in favor of the buyer for claims arising out of all pre-closing operations of the business.

QUICK GLANCE

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and butter substitutes under the **Spectrum Naturals** brand and essential fatty acid nutritional supplements under the **Spectrum Essentials** brand, sold mainly through natural food retailers. "Spectrum strengthens our position in the natural and organic sector with the addition of Spectrum Naturals and Spectrum Essentials, as healthy oils are featured in the new food pyramid and USDA Dietary Guidelines" said Irwin D. Simon, President and Chief Executive Officer of Hain Celestial. Hain Celestial's brands include **Celestial Seasonings**, **Terra Chips**, **Garden of Eatin'**, and **Health Valley**. Contact: Ira Lamel of The Hain Celestial Group, Inc., (631) 730-2200.

Pegasus Solutions, Inc. (NAS: PEGS) has executed a merger agreement with an equity group led by **Prides Capital Partners, LLC**, including entities affiliated with Prides, **Tudor Investment Corporation**, and **Belfer Management**. The transaction is valued at approximately \$275 million. Under its terms, Pegasus stockholders not affiliated with the investment group will receive \$9.50 in cash for each share of Pegasus common stock they hold. "We are very pleased with the results of our strategic alternative review," said John F. Davis III, president, chief executive officer and chairman of Pegasus Solutions. "Our focus will continue to be on delivering technology and business process solutions that help hotels and travel distributors come together to maximize revenue and profitability." Dallas-based Pegasus Solutions provides technology and services to hotels and travel distributors. Founded in 1989, its customers include a majority of the world's travel agencies and more than 60,000 hotel properties around the globe. **Bear, Stearns & Co. Inc.** acted as financial advisor to Pegasus

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and provided a fairness opinion to the board of directors of Pegasus in connection with the transaction. **Locke Liddell & Sapp LLP** acted as legal advisor to Pegasus in connection with the transaction. **Simpson Thacher & Bartlett LLP** acted as legal advisor to Prides Capital in connection with the transaction. **J.P. Morgan Securities** is arranging the debt financing. Contact: Hank Lawlor, (617) 778-9222; hank@pridescapital.com.

ENERGY

Praxair Distribution, Inc., a subsidiary of **Praxair, Inc.** (NYSE: PX), has acquired the packaged gas business and facilities of **Constar LLC** of Norcross, Georgia and its affiliates **Airstar Carolina**, **Airstar Tennessee**, **Airstar Savannah** and **Pye-Barker Welding Supply Co.** This business includes 10 facilities in Georgia, Tennessee, and South Carolina with revenues of approximately \$34 million. Constar LLC fills and distributes high-pressure industrial, medical, and specialty gas cylinders and other gas containers. It also operates several retail stores for the sale of welding and related equipment, supplies and services. Praxair Distribution President Wayne Yakich said, "Constar has built a strong business in this region and its employees are a very welcome addition to the Praxair team. We also look forward to providing our new Praxair customers with a more comprehensive array of packaged gases, welding equipment, and supplies to improve their overall business efficiencies and to reduce their costs with our technical support programs." The new company will operate as Praxair Distribution's Southern Division. Contact: Elizabeth Hirsch, Investor Relations, (203) 837-2354; liz_hirsch@praxair.com.



UCC CAPITAL CORPORATION

would like to thank

THE **M&A** ADVISOR

and partners



ICONIX
BRAND GROUP



BLANK ROME LLP
COUNSELORS AT LAW



JOE BOXER

for being awarded the 2005

Consumer Deal of the Year

and

Deal Maker of the Year

Awards



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Awards Winners Named

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TURNAROUND DEAL OF THE YEAR

Turnaround of Mauna Loa Macadamia Nut Corp.
– Nominated by TSG Consumer Partners

The producer of a signature Hawaiian agricultural staple was losing \$10 million annually when acquired by The Shanley Group (now called TSG Consumer Partners), a private equity firm focused on consumer brands. When the company was sold off to a national marketer of confectionery products four years later, it had diversified its product lines and doubled its sales, becoming solidly profitable.

CORPORATE STRATEGIC ACQUIROR OF THE YEAR

Armor Holdings, Inc. - Manufacturing – Industrial

Since its founding in 1996, this Jacksonville, Florida-based firm has expanded by virtue of 24 strategic acquisitions. Its three divisions produce security and safety gear for law enforcement and military users. In 2005, Fortune magazine named it one of its “100 Fastest Growing Companies.”

FINANCING DEAL OF THE YEAR

Recapitalization of Diagnostic Imaging Group
– Nominated by Morgan Joseph & Co.

Members of a single family had established separate medical diagnostic service companies in two states different regions. Although they had resigned themselves to selling off their businesses to outsiders, investment bankers at Morgan Joseph & Co. recommended another approach: merging the two firms with the aid of a financing package from Evercore Capital Partners. The combined entity is poised for further growth based on financial strength and economies of scale.

U.S. MIDDLE MARKET DEAL MAKER OF THE YEAR

Robert W. D’Loren, President and CEO, UCC Capital Corp.

– Nominated by Blank Rome LLP

A pioneer in corporate finance using intellectual property monetization and whole-company securitization, Robert D’Loren’s experience reaches back over more than two decades of activity in finance-related businesses. Virtually all the M&A and financing activity today involving brands and other intellectual property, including licensing, is derived in some way from Mr. D’Loren’s innovations.

WOMAN DEAL MAKER OF THE YEAR

Anita M. Antenucci, Managing Director, Houlihan Lokey Howard & Zukin

– Nominated by Houlihan Lokey Howard & Zukin

A recognized expert in structuring M&A transactions in the aerospace and defense industries, Anita Antenucci was a co-founder of Quarterdeck Investment Partners, which specializes in those areas and which was the first investment banking firm to win an M&A Advisor Award, back in 2002. Now heading the Defense and Aerospace team at Houlihan

Lokey Howard & Zukin, Ms. Antenucci represents many of the top companies in the field internationally.

INDUSTRY AWARDS

BUSINESS TO BUSINESS

Roberson Transportation Cos. sells PFT Roberson and Worldwide Logistics to Annett Holdings and CX Roberson to Celadon Group

– Nominated by Fort Dearborn Advisors LLC

A team led by Fort Dearborn Advisors helped Roberson, a trucking company in a liquidity crisis, in the successful sale of one trucking division and its logistics business to one buyer and a second trucking business to another under extreme time pressure applied by impatient lenders. The transactions were carried to completion despite the negative impact of Roberson’s poor cash position on its operations and the inevitable internal frictions arising in the sale of a family-owned concern.

COMPUTER AND INFORMATION TECHNOLOGY DEAL OF THE YEAR

IPO of VeriFone, Inc.

– Nominated by Financial Technology Partners LLC

Preparing a company for an initial public offering is arduous at best. In the case of VeriFone, Financial Technology Partners was able to sell the project to a skeptical group of investors and managers, lead a successful recapitalization, corral and interest potential underwriters, and bring the launch to consummation. The result is all the more admirable in view of the fact that VeriFone, a source of secure electronic payment solutions, had been acquired twice since 2001, resulting in enormous accounting hurdles to overcome in telling the company’s story.

MANUFACTURING (CONSUMER) DEAL OF THE YEAR

Petters Group acquires Polaroid Corp.

– Nominated by Houlihan Lokey Howard & Zukin

The transaction led by Houlihan Lokey Howard & Zukin has allowed Petters Group to raise its profile in the consumer electronics marketplace. At the same time, it added considerable value to a venerable brand name of the old technology. Polaroid shareholders received a generous buyout and Petters received a brand to build on.

MANUFACTURING (INDUSTRIAL) DEAL OF THE YEAR

Modine Aftermarket merges with Transpro, forming Proliance International

– Nominated by Robert W. Baird & Co., Inc.

Seeking to rationalize its product offerings in the marketplace, a manufacturer of auto parts, aided by an astute team headed by investment bankers at Robert W. Baird & Co., sells its consumer aftermarket division to a company it will own jointly with a firm specializing in the aftermarket. At the same time, it picks up its partner’s OEM division. The complex transaction is ruled eligible for tax-free treatment under a sophisticated “Reverse Morris Trust” structure. The result has been a win for all the parties.

QUICK GLANCE

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FINANCIAL SERVICES

First American Title Insurance Company, a unit of **First American Corporation** (NYSE: FAF) has agreed to acquire privately held **TransContinental Title Company**, a provider of title and settlement services to national mortgage lenders. Established in 1987, TransContinental Title is a licensed title insurer in 38 states and has the ability to handle transactions nationwide through its affiliation with First American. TransContinental’s current volumes average in excess of 8,000 mortgage transactions per month. It reported gross revenues of \$61 million in 2004 and projects similar revenues for 2005. “This acquisition will increase First American’s exposure among mortgage originators through a well-recognized and highly respected brand,” said James J. Dufficy, executive director of First American Title Insurance Company’s National Lenders Advantage division. TransContinental will continue to operate under its current name and management structure, working in conjunction with First American’s **National Lenders Advantage** unit. Contacts: David Schulz, (714) 800-3298 dschulz@firstam.com.

Morningstar, Inc. (NAS: MORN), a provider of independent investment research, and **Ibbotson Associates**, a privately held firm that specializes in asset allocation services, have entered into an agreement for Morningstar to acquire Ibbotson for \$83 million in cash, subject to adjustments for working capital and certain make-whole payments. In addition, Morningstar anticipates realizing

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Awards Winners Named

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approximately \$10 million in cash tax benefits related to payment for the cancellation of Ibbotson's stock options. "Ibbotson's expertise in asset allocation and Morningstar's expertise in security selection and investment research is a powerful combination," said Joe Mansueto, chairman and chief executive officer of Morningstar. "Our companies share many similarities, and we have a firm commitment to helping investors reach their financial goals." Professor Roger Ibbotson, founder of Ibbotson Associates, and Mike Henkel, its president, plan to stay with the company. **Greenhill & Co.** acted as the exclusive financial advisor to Ibbotson on this transaction. **Vedder, Price, Kaufman & Kammholz P.C.** acted as legal counsel to Ibbotson on this transaction. **Winston & Strawn LLP** acted as legal counsel to Morningstar. Contact: Margaret Kirch Cohen, (312) 696-6383; margaret.cohen@morningstar.com.

HEALTHCARE

Stryker Corporation (NYSE: SYK) has acquired, by merger, all of the outstanding stock of **PlasmaSol Corp.**, a private, development-stage company which has developed a technology which should allow Stryker to provide sterilization equipment for use in sterilizing certain of its **MedSurg Equipment** products. The cost of the transaction totals approximately \$17.5 million, including an up-front cash payment plus the assumption of certain liabilities. Stryker Corporation is a medical device company with a broad range of products in orthopedics and a significant presence in other medical specialties. Its products include implants used in joint replacement, trauma, craniomaxillofacial and spine surgeries; orthobiologics; operating room and interventional pain products; surgical navigation, endoscopic, communications

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MEDIA AND TELECOMMUNICATIONS DEAL OF THE YEAR

ARTIST Direct Inc. acquires MediaDefender, Inc.

– *Nominated by Houlihan Lokey Howard & Zukin*

A strategic match is made between two companies "made for each other" as an online music and entertainment platform, ARTIST Direct, acquires a leading producer of anti-piracy software, MediaDefender. The completion of the transaction is all the more impressive, as MediaDefender had been groomed for an auction not long before the subject deal but had walked away from final negotiations.

FINANCIAL SERVICES DEAL OF THE YEAR

Valley National Bank Acquires NorCrown Bank

– *Nominated by Pitney Hardin LLP*

Windows of opportunity in M&A are often very narrow; perhaps none more so than in the case of this transaction in which the former managers of the acquisition target were facing criminal liability for various alleged violations of the banking laws. Pitney Hardin was able to create mechanisms to insulate the acquiror from fallout from its predecessor's difficulties and persuade the banking regulators to cleanse the institution from its former owners' misdeeds.

"We find our middle market dealmakers surpassing themselves with transactions of high quality and stunning originality."

HEALTHCARE DEAL OF THE YEAR

Northwestern Memorial Home Health Care simultaneously divests its Home Health Care operations to TLC Health Care Services and its Home Infusion Therapy Services to Option Care, Inc

– *Nominated by The Braff Group*

In healthcare, an industry noted for the justifiable sensitivity of its members to the prestige and high quality of the participating companies, a top-ranked hospital sought a buyer which could maintain the good reputation, both in perceived profile and in actual functioning, of two entities it sought to divest. The Braff Group was able to satisfy all parties in the successful sale of Northwestern Memorial Hospital's home health care and home infusion therapy divisions.

LIFE SCIENCES DEAL OF THE YEAR

Madison Dearborn Partners acquires Sirona Dental Systems

– *Nominated by Kirkland & Ellis LLP*

In order for the private equity firm Madison Dearborn Partners to complete its first German acquisition, a team from the law firm Kirkland & Ellis had to quickly arrange a complicated, cross-border financing mechanism that would allow the first tertiary

buyout in Germany to go forward while preserving the value of the former management's investment in the dental services company. The acquiror has since been able to merge the company with a publicly traded company in the U.S.

RETAILING DEAL OF THE YEAR

Turner's Outdoors, Inc. acquires Andrews's Sporting Goods

– *Nominated by Ballenger Cleveland & Issa, LLC*

The founder of a successful outdoor sporting goods chain was able to exit her business by selling it at a premium to parties she chose because she trusted them to be able to continue its operations. Ballenger Cleveland & Issa was able to organize the transaction and see it to closing despite the fact that more than half of the target's revenues come from the sale of firearms, which both scares off lenders and entails onerous regulatory compliance.

CONSUMER DEAL OF THE YEAR

Iconix Brand Group, Inc. acquires JOE BOXER Brand

– *Nominated by Blank Rome LLP*

This transaction probably represents a new paradigm for monetization of a consumer brand. A team led by this year's Dealmaker of the Year Robert D'Loren, his company UCC Capital, and the law firm Blank Rome enabled Iconix (NASDAQ: ICON) to acquire the lucrative JOE BOXER brand. The deal included the securitization of intellectual property assets, a concept that culminates decades of innovative treatment of IP by Mr. D'Loren and his associates.

PROFESSIONAL AWARDS

INVESTMENT BANKING FIRM OF THE YEAR

Global M&A

This year's top investment banking firm is an embodiment of the inventiveness required to face the paradox of a world increasingly interdependent economically in a period of hardened barriers of law and custom between nations. Headquartered in Germany, Global M&A GmbH is a partnership of investment banking companies in 27 countries. Its 300 bankers benefit from membership in a "virtual global investment bank" granting them access to buyers, sellers, finance, and other resources in places around the world their employers could not reach as stand-alone entities.

FINANCING FIRM OF THE YEAR

Fifth Street Capital LLC

– *Nominated by JHW Greentree Capital (a J.H. Whitney & Co. fund) and Bank of America*

Its co-venturers at Bank of America laud Fifth Street Capital for the enviable success record the firm has carved out in a difficult terrain, financing for companies with revenues less than \$100 million. It is praised for understanding the businesses its customers are in, and seeking optimal solutions that allow them to attain their growth goals.

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Awards Winners Named

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PRIVATE EQUITY FIRM OF THE YEAR**Audax Group**

Focusing on technological, industrial, and media companies, the private equity arm of the Audax Group distinguishes itself in the middle market universe with the perspicacity and success of its participations. Audax seeks out companies with revenues between \$25 million and \$350 million that need operational improvement and have the potential to achieve scale through add-on acquisitions; the potential and/or need for global presence; the need for better, more professional management; and the need for strategic refinement or redirection and integrates them into a synergistic portfolio where they benefit from Audax's expertise in debt capital markets as well as operations.

ACCOUNTING FIRM OF THE YEAR**Crowe Chizek and Company LLC**

Crowe Chizek clearly stands out in the middle market – three successive panels of judges have rated

the firm the top middle market M&A accounting firm in America. The firm's client list includes an amazing number of the country's top middle market private equity and financing firms. Crowe Chizek prides itself on the fact that, despite its "Big Four-type capabilities," it "focuses its services toward middle market companies and deal participants in the middle market space."

LAW FIRM OF THE YEAR**Wilson Sonsini Goodrich & Rosati**

Clients of this Palo Alto-based nationwide law firm have completed more than 1,000 mergers over the past five years under its guidance. Although the firm has moved out into territory far beyond the technology space in which it made its initial reputation, its expertise in tech-related fields keeps in the forefront in those M&A-intensive industries. Its scrupulous attention to avoiding the potential pitfalls of a transaction is perhaps best illustrated by the fact that no country's competition regulators have blocked any of its clients' transactions in more than 700 antitrust reviews since 1980.

QUICK GLANCE

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and imaging systems: as well as patient handling and emergency medical equipment. Stryker also provides outpatient physical therapy services in the United States. Contact: Dean H. Bergy, vice president and CFO, Stryker Corporation, (269) 385-2600.

MBF Healthcare Partners, LP has acquired **Medical Specialties Distributors, Inc.**, the largest supplier of healthcare products and biomedical equipment rentals and service in the home healthcare market. In 2005, MSD is expected to achieve revenue of approximately \$80 million. "We are very excited with the acquisition of MSD and look forward to working with management in achieving their growth strategy. We believe that MSD's solid management team and infrastructure is well positioned to capitalize on their national footprint and increase market share through strategic acquisitions and the offering of additional products and services," said MBF Chairman, Mike B. Fernandez. Headquartered in Stoughton, Massachusetts, MSD was founded in 1984 as a distributor of home infusion therapy products. It offers its products and services through a national footprint of six distribution facilities, seven medical equipment and repair centers, and 30 medical equipment rental depots. MBF Healthcare Partners, LP is a \$200 million private equity fund focused on equity investments in emerging and growth companies in healthcare services with annual earnings between \$5 million and \$25 million. MBF Healthcare Partners is minority owned and operated. Contact: Jorge L. Rico, MBF Healthcare Partners, LP, (305) 476-5160.

INDUSTRIAL**Brown Gibbons Lang & Company (BGL),**

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AN M&A ADVISOR FEATURE

Selling a Business - A View from the Seller's Side

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Representations and Warranties

In the definitive agreement, a seller will be asked to make a number of representations and warranties about the state of Company, its ownership, finances, legal compliance and operations for the period prior to closing. A breach of these representations and warranties (that is, a valid accusation by the buyer that one or more of these statements made by the seller regarding the business were false or misleading) is generally what gives rise to a post-closing lawsuit by the buyer against the seller. A seller can effectively limit the representations and warranties by disclosing exceptions to the representations in a disclosure schedule. A disclosure schedule is generally attached to the definitive agreement and acts as a carve-out to a particular representation. In contrast to the body of the definitive agreement, the disclosure schedules will generally get somewhat short shrift from the buyer and its counsel, and so it is

frequently said that the seller can win the battle of the representations by using the disclosure schedules.

Limits on Indemnification

As indicated above, a seller will be expected to indemnify a buyer for any breaches of the representations and warranties contained in the definitive agreement that occur post-closing. In addition to limiting the representations and warranties as discussed previously, the seller can limit post-closing indemnification obligations by limiting the period of time that the representations or warranties survive the closing. In addition, the definitive agreement can have what is called an indemnification basket, meaning that the aggregate dollar amount of all claims for indemnification must first exceed some threshold amount before an owner has any liability. The seller should also attempt to impose a cap on the total dollar amount for which he or she can be liable, usually some percentage of the purchase price. The seller also needs to make sure that the indemnification obligation is net of any tax benefit to the buyer (i.e. some damages can be deducted from a buyer's income for tax purposes) as well as net of any insurance coverage available.

Arthur M. Nathan is a member of the Board of Directors of Haynes and Boone and is one of the original partners who opened the Houston office in 1990. He specializes in business and tax planning, mergers and acquisitions, and other transactional matters.

E. Scot Dixon, a partner in Haynes and Boone's Houston office, focuses his practice in the representation of individuals and businesses in a wide variety of transactional matters including mergers and acquisitions and partnership and corporate law.



QUICK GLANCE
continued from page 7

winner of the **2005 M&A Advisor Award for Best International/Cross-Border Deal of the Year** and a member of the **Global M&A** consortium that won the award for **Investment Banking Firm of the Year**, has announced the sale of its client **TW Metals, Inc.** to **O'Neal Steel, Inc.**, a full-line metals service center. O'Neal will operate TW Metals under the name TW Metals, Inc. as a stand-alone company led by current management. TW Metals is the product of the January 1998 merger between **Tubesales, Inc.** and **Williams & Company, Inc.** Tubesales was founded in 1946 as a specialty alloy tubing and long products service center focused on the aerospace market. Williams was founded in 1907 as an industrial customer-oriented service center largely in the distribution of carbon plate and similar commodity products. TW Metals is now a leading global service center focused on specialty metals long products, including bar, rod, tube, pipe, and special forms primarily made from high grade aluminum and stainless steel, as well as carbon and titanium, nickel, and other high-performance alloy metals. Before the sale to O'Neal, TW Metals was a portfolio company of **Superior Group, Inc.**, a Philadelphia-based holding company. Superior Group engaged BGL to manage the sale process due to BGL's extensive experience in the metals industry, including several recently closed and pending transactions. "We are honored to have been selected to assist Superior Group in achieving a favorable outcome to a long-standing and valuable portfolio company," said Scott Berlin, managing director and principal of BGL. "We believe that O'Neal Steel is an excellent partner for TW Metals' management team." Contact: Wendy Neal, Vice President of Marketing, (216) 241-2800; wneal@bglco.com.

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| Insider's Guide to Events | | |
| Winter Conference (AM&AA); (877) 844-2535; www.amaa.org | 1/19-1/20 2006 | Newport Beach, CA |
| Private Equity Symposium (Wharton Private Equity Club); (215) 563-6848; amrose2@wharton.upenn.edu | 1/20/2006 | Philadelphia |
| The 5th Annual Industry Summit on PIPEs (Finacial Research Associates); (800) 280-8440; www.frallc.com | 1/25/2006 | New York, NY |
| 8th Annual Private Equity Roundup (Strategic research Institute); (800) 599-4950; www.srinstitute.com/cx575 | 1/29-2/1 2006 | Scottsdale, AZ |
| Inaugural Middle Market Mergers & Acquisitions Summit (Institute for International Research); (888) 670-8200; www.iirusa.com/masummit | 2/23 - 2/24/2006 | New York, NY |
| The M&A Advisor Chicago Conference; (877)-99-MERGE; www.maadvisor.com | 6/19-6/20 2006 | Chicago, IL |

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Monthly Transaction Review (Oct. 23 - Nov. 22)
Contains deals between \$10 million and \$1 billion involving U.S.-based targets

(Chart continued from page 10)

| Date | Co. | Deal Size (\$mm) | Buyer | Seller |
|---|--|-------------------------|---|--|
| Information Technology (continued) | | | | |
| 12/15/05 | CRS Retail Systems Inc. | 121.00 | Epicor Software Corp. (NAS: EPIC) | Accel-KKR Co. LLC |
| 12/16/05 | Aspen Systems Corp. | 130.00 | Lockheed Martin Corp. (NYSE: LMT) | - |
| 12/16/05 | Enterprise Communications Partnership | 98.00 | Sprint Nextel Corp. (NYSE: S) | - |
| 12/16/05 | HPL Technologies Inc. (OTC: HPLA) | 13.00 | Synopsys Inc. (NAS: SNPS) | - |
| 12/19/05 | WISchip International Ltd | 80.00 | Micronas Semiconductor Holding AG) | - |
| 12/20/05 | Integrated Biometric Technology | 58.33 | Viisage Technology Inc. (NAS: VISG) | L-1 Investment Partners LLC |
| 12/20/05 | Nanoplex Technologies Inc. | 23.11 | Oxonica plc | - |
| 12/21/05 | Micromuse Inc. (NAS: MUSE) | 865.00 | IBM Corp. (NYSE: IBM) | - |
| 12/21/05 | Neon Systems Inc. (NAS: NEON) | 68.00 | Noble Acquisition Corp. | - |
| 12/22/05 | Asian American Bank & Trust Co. (OTC: AABT) | 34.10 | UCBH Holdings Inc. (NAS: UCBH) | - |
| 12/22/05 | content and data services business | 30.00 | IHS Inc. (NYSE: IHS) | i2 Technologies Inc. (NAS: ITWO) |
| Materials | | | | |
| 12/5/05 | Go-Crete | 29.30 | US Concrete Inc. (NAS: RMIX) | - |
| 12/6/05 | construction and remaining mat'ls operations | 22.00 | Investment Group | Devcon Int'l Corp. (NAS: DEVC) |
| 12/21/05 | Murray International Metals Inc. | 21.10 | Edgen Corp. | Murray Int'l Holdings Ltd |
| Media | | | | |
| 11/23/05 | Michiana Telecasting Corp. | 85.00 | Gray Television Inc. (NYSE: GTN) | Univ. of Notre Dame, The |
| 12/1/05 | MMIS/Interest.com | 30.00 | Bankrate Inc. (NAS: RATE) | - |
| 12/7/05 | WFTX TV | 235.00 | Journal Comm. Inc. (NYSE: JRN) | EMMIS Comm. Corp. (NAS: EMMS) |
| 12/8/05 | WSAZ TV | 186.00 | Gray Television Inc. (NYSE: GTN) | EMMIS Comm. Corp. (NAS: EMMS) |
| 12/9/05 | Wescoco LLC | 10.00 | Bankrate Inc. (NAS: RATE) | - |
| 12/12/05 | certain television stations | 20.30 | Fisher Communications Inc. (NAS: FSCI) | Equity Broadcasting Corp. |
| Miscellaneous | | | | |
| 11/28/05 | Vance International Inc. | 67.25 | Garda World Security Corp. | SPX Corp. (NYSE: SPW) |
| 12/1/05 | NaturalNano Inc. (old) | 15.72 | Cementitious Materials Inc. | - |
| 12/2/05 | 5 US commercial printing facilities | 70.00 | MATLET Group LLC | Québecor World Inc. |
| 12/6/05 | BioPay LLC | 82.00 | Pay By Touch Solutions | - |
| Telecommunications | | | | |
| 12/1/05 | Efficient Channel Coding Inc. | 25.50 | ViaSat Inc. (NAS: VSAT) | - |
| 12/6/05 | Consol. Edison Comm. Holding Co. Inc. | 32.00 | RCN Corp. (NAS: RCNI) | Consolidated Edison Inc. (NYSE: ED) |
| 12/6/05 | Microwave Satellite Technologies Inc. | 10.00 | Telkonet (AMEX: TKO) | - |
| 12/12/05 | Montezuma Mutual Telephone Co. | 10.48 | Iowa Telecomms. Svcs. Inc. (NYSE: IWA) | - |
| Transportation | | | | |
| 12/14/05 | Applied Electronic Systems Inc. | 15.00 | Sondex plc | - |
| 12/15/05 | Ascom Transport Revenue | 100.64 | Affiliated Computer Svcs Inc. (NYSE: ACS) | Ascom Holding AG |
| 12/22/05 | P&O Cold Logistics | 322.30 | Versacold Income Fund | Peninsular & Oriental Steam Navigation Co. plc |
| Utilities | | | | |
| 12/16/05 | Audrain Generating Station | 595.00 | AmerenUE | NRG Energy Inc. (NYSE: NRG) |

Source: Zephyr and M&A Advisor

Monthly Transaction Review (Oct. 23 - Nov. 22)**Contains deals between \$10 million and \$1 billion involving U.S.-based targets***(Chart Continues on page 9)*

| Date | Company | Deal Size (\$mm) | Buyer | Seller |
|-------------------------------|--|------------------|--|---|
| Healthcare (Cont'd) | | | | |
| 12/16/05 | Animas Corporation (NAS: PUMP) | 518.00 | Johnson & Johnson (NYSE: JNJ) | - |
| 12/21/05 | Peak Medical Corporation | 151.80 | Sun Healthcare Group Inc. (OTC: SUNH) | - |
| 12/21/05 | US Script Inc. | 50.00 | Centene Corporation (NYSE: CNC) | - |
| Industrial | | | | |
| 11/23/05 | Nu-Gro fertilizer technology and prof. prods. businesses | 86.00 | Agrium Inc. | Spectrum Brands Inc. (NYSE: SPC) |
| 11/30/05 | Planar Solutions LLC | 17.00 | FUJIFILM Electronic Materials USA Inc. | Arch Chemicals Inc. (NYSE: ARJ) |
| 12/7/05 | Alkar Holdings Inc. | 26.70 | Middleby Corporation (NAS: MIDD) | - |
| 12/8/05 | Dormont Manufacturing Co. | 94.50 | Watts Water Tech. Inc. (NYSE: WTS) | - |
| 12/8/05 | Rutland Tool & Supply Inc. | 15.00 | Lawson Products Inc (NAS: LAWS) | Airgas Inc. (NYSE: ARG) |
| 12/9/05 | GTO Inc. | 27.50 | Linear LLC | - |
| 12/12/05 | BNC & Associates Inc. | 17.20 | Spiegelberg Manufacturing Inc. | - |
| 12/13/05 | Connection Systems division | 390.00 | Amphenol Corporation (NYSE: APH) | Teradyne Inc. (NYSE: TER) |
| 12/14/05 | aerospace business | 333.00 | Eaton Corporation (NYSE: ETN) | PerkinElmer Inc. (NYSE: PKI) |
| 12/15/05 | Precise Technology Inc. | 257.50 | Rexam plc | Code Hennessy & Simmons LLC |
| 12/20/05 | Landis Grinding division | 79.00 | Compagnie de Fives-Lille | UNOVA Inc. (NYSE: UNA) |
| 12/21/05 | paper chemicals unit | 105.69 | Kemira Oyj | Lanxess AG |
| Information Technology | | | | |
| 11/28/05 | Ion Systems Inc. | 70.00 | MKS Instruments Inc. (NAS: MKSI) | - |
| 11/29/05 | Cybertrust Inc's certain select assets | 14.00 | Cisco Systems Inc. (NAS: CSCO) | Cybertrust Inc. |
| 11/30/05 | Apropos Technology Inc. | 50.00 | Syntellect Inc. | - |
| 11/30/05 | Nexus Energy Software Inc. | 28.50 | ESCO Technologies Inc. (NYSE: ESE) | - |
| 11/30/05 | V-Secure Technologies Inc. | 15.00 | Radware Ltd (NAS: RDWR) | - |
| 12/1/05 | Commerce5 Inc. | 45.00 | Digital River Inc. (NAS: DRIV) | - |
| 12/1/05 | United Tote Company | 34.20 | Youbet.com Inc. (NAS: UBET) | - |
| 12/1/05 | Consumer Division | 17.50 | Fervent Group Ltd | Measurement Specialties Inc. (AMEX: MEAS) |
| 12/2/05 | DYMO Corp | 730.00 | Newell Rubbermaid Inc. (NYSE: NWL) | - |
| 12/2/05 | (i)Structure LLC | 84.80 | InfoCrossing Inc. (NAS: IFOX) | Level 3 Communications Inc. (NAS: LVLT) |
| 12/2/05 | Visual Networks Inc. (NAS: VNWK) | 75.00 | Fluke Corporation | - |
| 12/5/05 | Cyota Inc. | 145.00 | RSA Security Inc. (NAS: RSAS) | - |
| 12/8/05 | JAMDAT Mobile Inc. (NAS: JMDT) | 680.00 | Electronic Arts Inc. (NAS: ERTS) | - |
| 12/8/05 | McLean Thermal Management | 137.50 | Pentair, Inc. (NYSE: PNR) | - |
| 12/8/05 | Agility Communications Inc. | 67.00 | JDS Uniphase Corp. (NAS: JDSU) | - |
| 12/9/05 | iDirect Inc. | 165.00 | Vision Technologies Electronics Inc. | - |
| 12/9/05 | Funk Software Inc. | 122.00 | Juniper Networks Inc. (NAS: JNPR) | - |
| 12/12/05 | GoRemote Internet Communications Inc. (NAS: GRIC) | 76.50 | iPass Inc. (NAS: IPAS) | - |
| 12/12/05 | Synchronics Inc. | 27.50 | Radiant Systems Inc. (NAS: RADS) | - |
| 12/13/05 | wireless and connectivity business | 10.00 | Silex Technology Inc. | Troy Group Inc. (NAS: TROY) |
| 12/14/05 | Pricegrabber.com | 485.00 | Experian Ltd | - |
| 12/14/05 | Acsis Inc. | 26.00 | Safeguard Scientifics Inc. (NYSE: SFE) | - |

Monthly Transaction Review (Oct. 23 - Nov. 22)
Contains deals between \$10 million and \$1 billion involving U.S.-based targets
(Chart Continues on page 10)

| Date | Company | Deal Size (\$mm) | Buyer | Seller |
|------------------------------------|---|------------------|---|---------------------------------------|
| Financial Services (cont'd) | | | | |
| 11/29/05 | corp. trust and inst. custody bus. | 800.00 | US Bank NA | Wachovia Corp. (NYSE: WB) |
| 11/30/05 | futures unit | 323.00 | Man Financial Ltd | Receiver |
| 12/5/05 | Advest Group Inc., The | 400.00 | Merrill Lynch (NYSE: MER) | AXA Financial Inc. |
| 12/5/05 | Hinsbrook Bancshares Inc. | 114.42 | Wintrust Financial Corp. (NAS: WTFC) | - |
| 12/8/05 | Physicians Ins. Co. of Wisconsin Inc. | 100.00 | ProAssurance Corp. (NYSE: PRA) | - |
| 12/12/05 | Bank Calumet Inc. | 307.00 | First Midwest Bancorp Inc. (NAS: FMBI) | - |
| 12/12/05 | Ibbotson Associates Inc. | 83.00 | Morningstar Inc. (NAS: MORN) | - |
| 12/14/05 | Palm Beach County Bank | 100.00 | Commerce Bancorp Inc. (NYSE: CBH) | - |
| 12/15/05 | Collegiate Funding Svcs. LLC (NAS: CFSI) | 663.00 | JP Morgan (NYSE: JPM) | Lightyear Capital Inc. |
| 12/15/05 | Main Street Banks Inc. (NAS: MSBK) | 622.70 | BB&T Corporation (NYSE: BBT) | - |
| 12/15/05 | Foothill Indep. Bancorp (NAS: FOOT) | 238.00 | First Community Bancorp Inc. (NAS: FCBP) | - |
| 12/20/05 | Guggenheim Alternative Asset Mgmt. | 184.00 | Bank of Ireland | Guggenheim Partners |
| 12/20/05 | New Valley Corp. (NAS: NVAL) | 94.81 | Vector Group Ltd, The (NYSE: VGR) | - |
| 12/21/05 | Trustcorp Financial Inc. | 181.00 | Marshall & Ilsley Corp (NYSE: MI) | - |
| 11/29/05 | University National Bank | 24.00 | BankFinancial Corporation | University Nat. Bank Corp. |
| 11/30/05 | American Benefit Resources Inc. | 13.00 | National Investment Managers Inc. | - |
| 12/1/05 | Atlantic Realty Trust (NAS: ATLR) | 82.50 | Kimco Realty Corp. (NYSE: KIM) | - |
| 12/2/05 | Legg Mason Capital Mkts. Bus. | 37.00 | Stifel Financial Corp. (NYSE: SF) | Citigroup Inc. (NYSE: C) |
| 12/2/05 | CHN Solutions | 16.00 | Consolidated Services Group Inc. | Selective Ins. Group Inc. (NAS: SIGI) |
| 12/5/05 | Ballston Spa Bancorp Inc. (OTC: BSPA) | 35.04 | TrustCo Bank Corp NY (NAS: TRST) | - |
| 12/7/05 | Pelican Financial Inc. (AMEX: PFI) | 31.00 | Stark Bank Group Ltd | - |
| 12/8/05 | Edville Bankcorp | 65.50 | BMO Financial Group (NYSE: BMO) | - |
| 12/9/05 | Bridgeport Financial Corporation | 25.80 | 1st Fin. Bankshares Inc. (NAS: FFIN) | - |
| 12/12/05 | Concord Bank NA | 23.70 | Summit Bank Corp. (NAS: SBGA) | - |
| 12/12/05 | Falls Bank | 12.80 | Sky Financial Group Inc. (NAS: SKYF) | - |
| 12/15/05 | Citizens Bancorp | 38.00 | Farmers Cap. Bank Corp. (NAS: FFKT) | - |
| 12/20/05 | AmNet Mortgage Inc. (AMEX: AMNT) | 83.00 | Wachovia Corp. (NYSE: WB) | - |
| Healthcare | | | | |
| 11/24/05 | certain infectious disease assets <i>et al.</i> | 12.00 | Pharmexa A/S | IDM Pharma Inc. (NAS: IDMI) |
| 11/30/05 | Axes Technologies Inc. | 54.00 | Mahindra British Telecom Ltd. | - |
| 12/1/05 | MEDTEC Inc. | 150.00 | Roper Industries Inc. (NYSE: ROP) | - |
| 12/1/05 | Savacor Inc. | 50.00 | St Jude Medical Inc. (NYSE: STJ) | - |
| 12/1/05 | Chino Valley Medical Center | 21.00 | Medical Properties Trust Inc. (NYSE: MPW) | - |
| 12/6/05 | King Systems Corporation | 95.00 | Bespak plc | - |
| 12/8/05 | Aerojet Fine Chemicals LLC | 119.00 | American Pacific Corporation (NAS: APFC) | GenCorp Inc. (NAS: GY) |
| 12/8/05 | HVL Inc. | 92.00 | Atrium Biotechnologies Inc. | TA Associates Inc. |
| 12/13/05 | John Deere Health Care Inc. | 500.00 | UnitedHealth Group Inc. (NYSE: UNH) | Deere & Company (NYSE: DE) |
| 12/13/05 | Virbac Corporation (NAS: VBAC) | 36.90 | Virbac SA | - |
| 12/15/05 | CorSolutions Inc. | 445.00 | Matria Healthcare Inc. (NAS: MATR) | - |

Source: Zephyr and M&A Advisor

Monthly Transaction Review (Nov. 23 - Dec. 22)**Contains deals between \$10 million and \$1 billion involving U.S.-based targets***(Chart Continues on page 11)*

| Date | Company | Deal Size (\$mm) | Buyer | Seller |
|---------------------------|--|------------------|--|---|
| Consumer | | | | |
| 11/23/05 | Radisson Riverfront Hotel | 45.00 | Trinity Hotel Investors LLC | - |
| 11/25/05 | Versatile Entertainment Inc. | 43.30 | Century Pacific Financial Corporation | - |
| 11/25/05 | Bella Rose LLC | 10.82 | Century Pacific Financial Corp | - |
| 11/28/05 | 8 Residence Inns | 102.00 | Schuylkill LLC | Ashford Hosp'y Trust Inc. (NYSE: AHT) |
| 11/28/05 | Hilton San Diego Resort | 91.20 | LaSalle Hotel Properties (NYSE: LHO) | - |
| 11/28/05 | Holiday Inn Downtown in Wash., DC | 44.60 | LaSalle Hotel Properties (NYSE: LHO) | - |
| 11/28/05 | Best Western Univ. Tower Hot. Seattle | 26.40 | LaSalle Hotel Properties (NYSE: LHO) | - |
| 11/29/05 | Flamingo Laughlin hotel-casino | 170.00 | American R.E. Partners LP (NYSE: ACP) | - |
| 11/29/05 | Orlando Airport Marriott Hotel | 70.00 | DiamondRock Hospitality Co. (NYSE: DRH) | - |
| 11/30/05 | National Manufacturing Company | 170.00 | The Stanley Works (NYSE: SWK) | - |
| 12/1/05 | Murray's Discount Auto Stores | 170.00 | CSK Auto Corporation (NYSE: CAO) | JW Childs Associates LP |
| 12/5/05 | Equinox Holdings Inc. | 505.00 | Related Companies LP, The | Management |
| 12/5/05 | Provide Commerce Inc. (NAS: PRVD) | 477.00 | Liberty Media Corporation (NYSE: L) | - |
| 12/5/05 | brake, fuel tubing, and comp. bus. | 205.00 | Cooper-Standard Automotive Inc. | ITT Industries Inc. (NYSE: ITT) |
| 12/5/05 | Sheraton Fort Lauderdale Airport | 31.95 | HEI Hospitality LLC | Starwood Hot. & Res. Worldwide Inc. (NYSE: HOT) |
| 12/6/05 | Fresh Brands Inc. (NAS: FRSH) | 100.00 | Certified Grocers Midwest Inc. | - |
| 12/7/05 | Churchill Hotel in Washington DC | 48.75 | Highland Hospitality Corp. (NYSE: HIH) | - |
| 12/8/05 | Grand Expeditions Inc. | 93.95 | First Choice Holidays plc | Kuoni Travel Management |
| 12/8/05 | Intrav Inc. | 65.00 | First Choice Holidays plc | Kuoni Reisen Holding AG |
| 12/9/05 | Ocean Garden Products Inc. | 115.20 | Acuicola Boca SA de CV | Exportadores Asociados SA de CV |
| 12/9/05 | Prince Telecom Holdings Inc. | 65.10 | Dycom Industries Inc. (NYSE: DY) | - |
| 12/9/05 | Safety Components Int'l Inc. (OTC: SAFY) | 51.20 | Wilbur Ross | Zapata Corporation (NYSE: ZAP) |
| 12/13/05 | Four US senior living facilities | 85.00 | Sunrise Senior Living REIT | - |
| 12/14/05 | Euphoria Inst. of Beauty Arts and Sci. | 10.00 | Lincoln Educ. Services Corp. (NAS: LINC) | - |
| 12/15/05 | direct selling business | 557.00 | Tupperware Corporation (NYSE: TUP) | Sara Lee Corporation |
| 12/16/05 | 10 skilled nursing facilities in Ohio | 115.50 | Omega Healthcare Inv. Inc. (NYSE: OHI) | - |
| Energy | | | | |
| 11/30/05 | WO Energy | 55.24 | Cano Petroleum Inc. (AMEX: CFW) | - |
| 12/1/05 | UOP LLC | 825.00 | Honeywell Int'l Inc. (NYSE: HON) | Union Carbide Corporation |
| 12/2/05 | Geokinetics Inc. (OTC: GOKN) | 25.15 | Investors | - |
| 12/7/05 | LNG plant in Willis, Texas | 14.00 | Clean Energy Fuels Corp. | - |
| 12/8/05 | Darcy Energy Ltd. | 57.50 | IB Daiwa Corporation | - |
| 12/12/05 | Olympic Pipe Line Company | 101.90 | Enbridge Inc. (NYSE: ENB) | Arco MidCon LLC |
| Financial Services | | | | |
| 11/23/05 | Charter Oak Joint Venture | 282.50 | Tanger Factory Outlet Ctrs. Inc. (NYSE: SKT) | Blackstone Real Estate Advisors LP |

Source: Zephyr and M&A Advisor



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