





CORPORATE FINANCE

Deal Announcement

ADVISORY

KPMG Corporate Finance advised an executive of CPC Associates in his MBO and arranged financing for the buyout.



CPC Associates

KPMG Corporate Finance
acted as financial adviser
and arranged the financing led by
Kinderhook Industries, LLC for an
MBO of CPC Associates

March 2005

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The Company

CPC Associates is a mailing list compiler, broker and list manager to the direct mail industry. CPC also provides value-added database and marketing services including data hygiene and enhancement, data profiling and modeling, and electronic mail deployment. The company has a diverse client base including many Fortune 500 companies.

The Situation

The shareholders of CPC were in the initial stage of exploring their exit alternatives when the Chief Operating Officer (COO) approached them with his interest in acquiring the company. The owners granted the COO a period of limited exclusivity to raise the necessary capital to purchase the company. Consequently, the COO engaged KPMG Corporate Finance to advise him on his purchase of CPC and assist him with raising and structuring the capital necessary to purchase the company.

The Transaction

Given the limited period of exclusivity, KPMG conducted an expedited limited auction. Leveraging our industry contacts with private equity firms and other sources of capital, we contacted several parties that were interested in investing with the COO. Further, we coordinated and assisted with management presentations and subsequent due diligence with those interested parties. After receiving many offers, the COO selected Kinderhook Industries, LLC as his financing partner. KPMG assisted the COO in negotiating the terms of the buyout, including the management team's equity ownership and employment terms. KPMG's extensive industry experience and contacts with a broad range of financial sponsors were fundamental to our ability to conduct a successful competitive auction in an expedited manner.

"KPMG Corporate Finance was absolutely amazing. KPMG was given an extremely short period of time to identify potential equity partners, help negotiate terms, and assist in concluding the transaction with the sellers. KPMG's knowledge of the market space and its personal relationships with equity firms made the management buyout a reality."

— **David Thornbury, Chief Operating Officer**
CPC Associates

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KPMG Corporate Finance: Objectivity. Insight. Experience.

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Trust KPMG Corporate Finance LLC with Your Next Transaction

KPMG Corporate Finance LLC provides a full suite of investment banking and strategic advisory services to its domestic and international clients. Our professionals have the experience and depth of knowledge in global M&A to advise clients on mergers and acquisitions, sales and divestitures, buyouts, financings, restructurings, fairness opinions, and other strategic initiatives. In addition, we remain independent of financing sources, helping to ensure that our efforts are objective and aligned with the goals of KPMG's firms' clients. Operating in 51 countries, KPMG's Corporate Finance practice comprises more than 1,500 professionals who are able to meet the needs of KPMG's firms' clients across the globe. In 2004, KPMG's Corporate Finance practice was ranked the number one financial adviser for completing the highest number of transactions globally (361 deals totaling US\$18.9 billion), according to Thomson Financial's global M&A league tables.

We welcome the opportunity to meet you, learn more about your company's objectives, and discuss our people and capabilities.

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