

## **ACQUISITION CRITERIA**

---

First Capital Advisers, L.L.C. (“FCA”) is seeking acquisition targets in the manufacturing sector that produce goods for industrial, commercial, or consumer markets. FCA is particularly interested in turnaround opportunities that will benefit from its proprietary production improvement methodology.

### ***Industry***

1. Target companies should not rely upon cutting edge technology and should not require intensive in-house research and development.
2. We specifically exclude companies in the following types of businesses: services; distribution; after-sales support; food, clothing, textiles and furniture manufacturing; and companies that sell directly to the end consumer and/or require large advertising expenditures.

### ***Corporate Structure***

3. FCA acquisition candidates may be corporate subsidiaries; divisions that are being divested; or stand-alone companies; and may be either publicly or privately held.
4. Company headquarters and the majority of operations should be located in the United States or Canada, preferably (but not exclusively) east of the Mississippi.

### ***Control***

5. FCA prefers acquisitions in which it can gain effective control.
  - a) Minority equity positions in recapitalizations or growth situations will be considered on a case by case basis.
  - b) Current management team may remain post-acquisition.
  - c) FCA may facilitate and finance a management buyout, but not as a passive investor.

### ***Size, Customer Base & Profitability***

6. Minimum revenues of \$35 million.
7. Companies should have a wide customer base, existing or potential. No more than 20% of sales should be to any one customer.
8. There is no minimum EBITDA requirement.