

IVS INVESTMENT BANKING

OVERVIEW

An affiliated company of BIC Alliance, IVS Investment Banking delivers premium value to business owners in providing management-led buyout, recapitalization, merger and acquisition, private placement and company valuation consulting services to the petrochemical, refining, construction, and exploration and production industries. The company works with owners and management teams in acquiring and selling manufacturing, distribution and service-oriented businesses in the petrochemical, refining, power generation, environmental, construction, marine, and pulp and paper industries. Since inception, the principals of IVS have completed 17 investment banking transactions worth over \$400 million in transactional value.

WHY IVS INVESTMENT BANKING?

IVS Investment Banking has the ability to access an unprecedented number of industry executives through its extensive data repository and leverage strong relationships with individuals and companies in the aforementioned industries, many of which span 25 years or more. With a management team made up of individuals with years of experience in the petrochemical and refining industries, investment banking and human capital due diligence, IVS Investment Banking has the knowledge and experience necessary to understand and fulfill the needs of its clients.

The IVS Investment Banking team knows the hard and soft success factors in any merger or acquisition are intertwined. For this reason, we can support your team at every stage, guiding the acquisition search process as well as financial, legal and business due diligence and integration planning.

KEY SUCCESS FACTORS IN M&A

Hard Factors

- ▶ Acquisition search
- ▶ Due diligence
- ▶ Financial resources
- ▶ Synergies
- ▶ Integration plan

Soft Factors

- ▶ Learning environment
- ▶ Management team
- ▶ Intellectual capital
- ▶ Organizational culture
- ▶ Communication

BENEFITS TO BUSINESS OWNERS AND INVESTORS

- ▶ IVS Investment Banking has a data services group with up to 30,000 key decision makers in business and industry, providing access to a wide variety of opportunities.
- ▶ No other investment banking group in the energy market has our broad and deep access to the range of both strategic and financial investors. Our relationship to the strategic investors stems from our sister company BIC Alliance. BIC has provided marketing, training and consulting, and executive recruiting services to these markets for 30 years. Our relationship with financial investors comes from our managing director’s Wall Street experience financing leveraged buyouts. This “dual path” of strategic and financial investors we run is one of the distinguishing elements of IVS’ process.
- ▶ IVS Investment Banking performs quick, thorough evaluations of businesses to bring you the right deal at the right time.

INVESTMENT FOCUS

Financial Criteria

- EBITDA between \$2 million and \$15 million
- History of profitability and revenue growth

Management Criteria

- Owner seeking liquidity and/or exit
- Solid employee relations, with high employee retention rates












Company Criteria

- Identifiable growth opportunities
- North American-based business

Investment Fund

- Fund series in progress

RECENT TRANSACTIONS

<p>IVS INVESTMENT BANKING advised in the acquisition of</p>  <p>HRI Buffalo, MO</p>	<p>IVS INVESTMENT BANKING advised in the strategic alliance and investment with</p>  <p>OSI New Orleans, LA</p>	<p>IVS INVESTMENT BANKING advised in a recapitalization with</p>  <p>USA Houston, TX</p>	<p>IVS INVESTMENT BANKING advised in the acquired assets of</p>  <p>Wholesale RADIO Dallas, TX</p>	<p>IVS INVESTMENT BANKING advised in acquired assets of</p>  <p>FLEXTECH SYSTEMS Channelview, TX</p>
<p>IVS INVESTMENT BANKING advised in the acquisition of</p> <p>S&H Services, LLC Houston, TX</p>	<p>IVS INVESTMENT BANKING advised in the acquisition of</p>  <p>FISHBONE SOLUTIONS L15 Deer Park, TX</p>	<p>IVS INVESTMENT BANKING advised in a recapitalization with</p>  <p>FabEnCo, Inc. "The Safety Gate Company" Houston, TX</p>	<p>IVS INVESTMENT BANKING advised in a recapitalization with</p>  <p>LONESTAR MARINE SHELTERS Galveston, TX</p>	<p>IVS INVESTMENT BANKING advised in the acquisition of</p>  <p>TIS Total Industrial Services, Inc. Houston, TX</p>
<p>IVS INVESTMENT BANKING advised in the acquisition of</p>  <p>SOUTHERN INTEGRATION INC Sulphur, LA</p>	<p>IVS INVESTMENT BANKING advised in the acquisition of</p>  <p>Industrial Cooling Tower Baton Rouge, LA</p>	<p>IVS INVESTMENT BANKING advised in a recapitalization with</p>  <p>KAP PRODUCT SERVICES, LTD. La Porte, TX</p>	<p>IVS INVESTMENT BANKING advised in a recapitalization with</p>  <p>SWAY Gonzales, LA</p>	<p>IVS INVESTMENT BANKING advised in the acquisition of</p>  <p>PETROCHEM SERVICES GROUP La Porte, TX</p>

 **PROCESS FLOW**

1. After your initial engagement of our services, we will evaluate your company as if we were the buyer. This will involve records reviews, site visits, interviews, etc. The result will be for us to prepare a detailed “investment memorandum” or “book” about your company, which will include (i) overview of the business, (ii) analysis of the company’s markets, competitors and competitive position, (iii) analysis of the company’s manufacturing processes or service, (iv) management biographies, (v) historical financials, and (vi) projected financials. The objective of this book is to answer most all of the questions a prospective buyer might have so disruption of your day-to-day business is completely minimized during the process. You approve the investment memorandum.
2. We generate a list of potential strategic buyers and another of potential financial investors. This is the “dual path” we will run, which is one of the distinguishing elements of IVS’ process. No other investment banking group in the energy market has our access to the range of strategic investors. (Our sister company BIC Alliance has provided marketing, training and consulting services to these markets for 30 years.) You approve both of the lists.
3. We generate a “blind summary” of your firm that vaguely and generally describes the type and size of your business. This is typically only a few paragraphs. It is designed to adequately describe your firm but keep it indeterminable. You approve this blind summary.
4. We contact the potential strategic buyers and financial investors with the blind summary (not the investment memorandum) to determine who has an interest in reviewing the company in greater detail. Companies interested in further review will be required to sign a confidentiality agreement (CA).
5. We sign CAs with all interested potential private equity investors and strategic buyers. You are informed as to who requests and signs a CA.
6. Upon our receipt of signed CAs, we forward the “investment memorandum” for their review. You are informed regarding who sees your memorandum.
7. Companies receiving the investment memorandum are requested to submit a nonbinding bid within 30 days. Typically there are meetings with the most interested buyers/investors prior to receipt of bids.
8. All bids are reviewed by you and IVS. With your input, certain bidders may be told they are not top bid but in the running. They are requested to resubmit a revised, stronger bid. One group is eventually selected and a nonbinding letter of intent is negotiated and signed.
9. The acquiring/investing company will perform due diligence; purchase agreements, employment agreements and other agreements will be circulated and agreed to.
10. The transaction will close and the monies will be transferred.

MANAGING PARTNERS



Thomas Brinsko

A former contracts attorney for Exxon and Key Petroleum, Brinsko joined BIC Alliance and IVS Investment Banking in 1999 and became President and COO in 2002. His upstream, legal and acquisition experience complements Earl Heard's petrochemical, refining and construction experience. Brinsko received an undergraduate degree in business from the University of Southwestern Louisiana (now the University of Louisiana at Lafayette) and a juris doctorate from Louisiana State University's Paul M. Hebert Law Center.



Earl Heard

Heard is the CEO and Founder of BIC Alliance, which publishes BIC Magazine – North America's largest multi-industry, multidepartmental energy and construction publication. He has 40-plus years' combined experience in industry and marketing, having served as an industrial training manager and buyer for Ethyl Corp. in Baton Rouge, La., before founding BIC Alliance in 1984. Having spent more than 30 years helping grow industrial service companies through marketing and training consultation, mergers and acquisitions and executive recruiting, Heard has a wide range of contacts in petrochemical, refining, construction, environmental and other sectors.



John Zapalac

Zapalac joined IVS Investment Banking in January 2007 as Managing Director. He is responsible for originating, processing and ultimately closing investment banking assignments. Zapalac has been involved in the investment banking industry since 1994, primarily working on middle-market leveraged buyout transactions. Prior to joining IVS Investment Banking, he was a vice president at McFarland, Grossman & Co., an investment bank located in Houston. His past work experience also includes working as a Portfolio Manager for BHF Capital, overseeing a \$750 million debt fund that invested in senior bank debt of leveraged buyouts and add-on acquisitions; Ryan, Beck & Co., analyzing commercial bank mergers; and an internship for Trivest Inc., a \$250-plus million leveraged buyout fund, analyzing private equity leveraged buyout opportunities. Zapalac received a bachelor's degree in finance from Texas A&M University and a degree in corporate finance from Fairleigh Dickinson University and graduated from Citibank's School of Banking.

CONTACT US

Please contact us to discuss a specific opportunity. To learn more about IVS Investment Banking, visit our website at IVSInvestmentBanking.com.

IVS Investment Banking

Thomas Brinsko, President and COO
311 Columbia Memorial Parkway
League City, TX 77573
Office: (281) 538-9996
Fax: (281) 538-9991
Email: tbrinsko@bicalliance.com