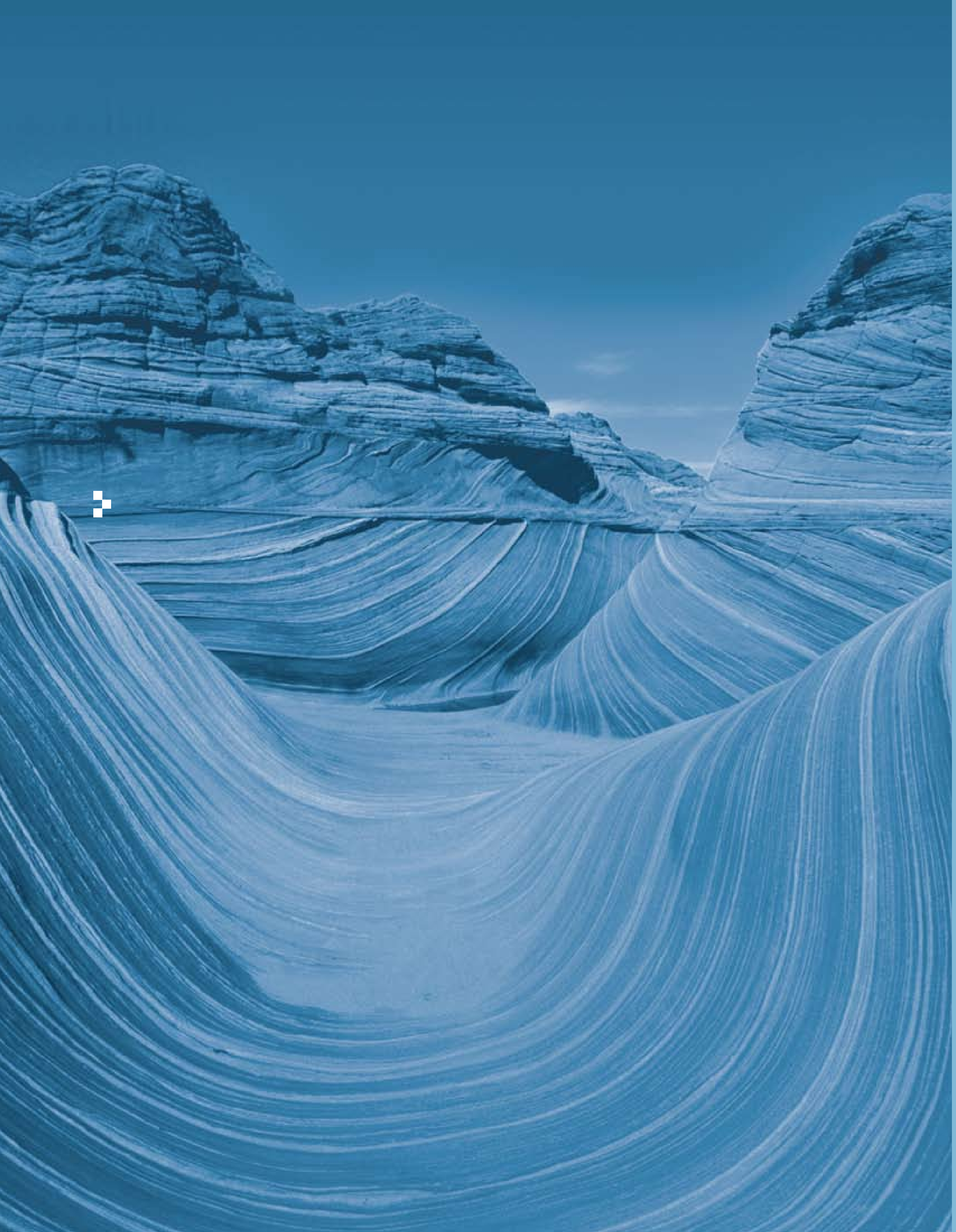
NEXTPLATEAU
CONSULTING LLC

BUSINESS CONSULTING & EXIT PLANNING STRATEGIES

455 N. Cityfront Plaza Dr., Suite 2600
Chicago, Illinois 60611-5379

T: 312.670.0500
F: 312.670.8301

www.next-plateau.com



Next Plateau Consulting LLC is a Chicago-based consulting firm dedicated to providing owners of closely-held businesses with the resources they need to effectively manage, grow and transition through the stages of their business and personal lives.

We work closely with business owners and their attorneys, bankers, accountants, investment advisors and other trusted advisors to develop a comprehensive plan to meet the business owners' personal and financial goals while protecting the long term health of the business itself.

Service Offerings

- Comprehensive Exit Planning
- Personal Financial, Retirement and Estate Planning
- Business Valuation Services
- Value Enhancement Strategies
- Business Structure and Tax Planning Services
- Due Diligence Services and Secure Electronic Data Records
- Business Plans and Financial Projections
- Benchmarking and Industry Comparisons
- Executive Compensation and Bonus Plans
- Merger and Acquisition Representation

NEXTPLATEAU
CONSULTING LLC

A **COMPREHENSIVE** TEAM

There are many reasons why entrepreneurs start in business: independence, financial security, or the pursuit of a dream. When successful, the business often becomes the largest family asset and provides income for multiple generations within the ownership group. While running a successful business, few business owners have the time or skill set necessary to effectively manage this asset as it relates to overall family financial goals.

Next Plateau fills the vital need of overseeing appropriate financial management of this important asset by quantifying the business's role in retirement, estate and investment planning for the family. This customized process of setting goals and deciding how best to achieve them is called Exit Planning.

Because Comprehensive Exit Planning requires additional legal and financial analysis, valuation, estate tax analysis, tax planning, insurance and investment choices, as well as counseling regarding the best ways to promote business value and to exit one's business, a strong team of advisors is crucial to the process.

At Next Plateau, we understand and oversee this process. We work together with a client's current advisors and add additional expertise as necessary. While we have the talent to provide Comprehensive Exit Planning for our clients with minimal outside assistance, it is a much more efficient and beneficial process when an advisory team collaborates on the plan.

COMPREHENSIVE EXIT PLANNING

Exiting a business means different things to different people and exit strategies can vary significantly. An owner's goal may be to simply free up time, energy and resources to explore other interests, or they may want to realize their investment and walk away from the business without looking back. Most likely, an owner's goals are somewhere in between.

There are several options that will allow a business owner to take some or all of their investment off the table, with varying degrees of personal freedom. If a major desire is to free up time, it could be achieved effectively by building up the management team to the level where personal involvement in day-to-day operations is significantly reduced. Of course, this may not alleviate risk or secure financial independence for the owner, and an outright sale to the highest bidder may be more desirable.

Choosing the best exit strategy involves a careful assessment of your personal, family and business goals and circumstances. While financial needs are certainly an important factor, there are many other considerations that need to be factored into a well-planned exit strategy.

If you know these strategies and decide in advance which one is best for you, then you have a better chance of leaving your business under terms and conditions you choose. Without planning, you are more likely to settle for terms and conditions beyond your control. A comprehensive exit plan will consist of some or all of the following areas:

Personal Financial, Retirement & Estate Planning

It is important to understand the financial needs and personal, business, charitable and family goals of the business owner before pursuing any type of an exit from the business. Issues to be addressed might include: What amount of assets is needed to meet your retirement goals? When do you want to retire? How do you plan to remain active during retirement? How can assets be passed on to your heirs in a fair and tax-efficient manner?

Business Valuation

The value of a closely held business can vary greatly depending on the type of transfer and the buyer. Generally, a synergistic buyer that can realize increased opportunities through the acquisition will value a business higher than a financial buyer that intends to keep the business on its current path. Often, a sale to management or family will realize a lower value, simply because the buyers do not have sufficient capital and must rely on the business itself to generate the cash necessary to pay the retiring owner.

While we prepare business valuations for many purposes (as described more fully in this brochure), a realistic expectation of the proceeds an exiting owner can expect based on the desired purchaser is necessary to prepare a comprehensive exit plan. Based on this value expectation, we can help you determine if your personal financial, retirement and estate planning goals are realistic or if we need to adjust goals or attempt to increase the value of the business.

Value Enhancement Strategies

Two major factors have a significant impact on the value of a business: the risk involved and the reward an owner can expect from the ownership of the business. The reward is most often quantified as the cash flow the business can generate through its operations. Risk is often more difficult to quantify. However, there are many factors that can increase or mitigate risk. For instance, major customer concentrations, the reliance on a key supplier, commodity based products, and union or regulatory issues can all increase risk and result in lower value. As part of our comprehensive exit planning process, we review over 50 different value factors and help you develop and implement a value enhancement plan for the business.

Business Structure & Tax Planning Services

Next Plateau begins by calculating and explaining the tax cost of a transaction based on the assumed sale price and normal or specific deal terms. Once a starting point is understood, we will investigate potential tax savings and deferral opportunities that fit the specific situation. There are many structures available that are designed to reduce or defer the tax liability on the sale of a company. These structures can defer, reduce or even eliminate income taxes, capital gains taxes, and estate taxes on a transaction, all of which can result in a dramatic increase in the net proceeds available to you and your family.

Due Diligence Services & Secure Electronic Data Records

As a business owner, you should also be focused on protecting the value of your company. We recommend that you perform "pre-transaction due diligence." The goal of a pre-transaction due diligence review is to identify and fix any perceived problems or issues so they do not affect a future transaction. This will include a thorough review of financial information, along with review of legal and business compliance issues including corporate records, employment practices, regulatory issues, licenses, contracts, intellectual property including any technology, trademarks, or patents, and other areas.

As part of this process, we will work as a team with your existing advisors to gather and review this information. We will also help resolve any issues that arise and assemble a "due diligence chest" containing copies of the records and documents that a buyer, banker or investor will request when they come in to perform their due diligence. Having copies of these important documents in one place will greatly reduce the disruption that a buyer, banker or investor's due diligence will have on your business.

We can help you organize this information electronically in a safe and secure environment. When you are ready to share information with outside parties, a secure electronic data room can be quickly implemented and access provided on a file-by-file basis. Of course, if you prefer, a traditional paper filing system can also be used.

There are a limited number of ways to exit from a closely-held business:

1. Transfer to other members of the family
2. Sell to existing shareholders that wish to remain involved
3. Sell to management or a larger group of employees (possibly incorporating an Employee Stock Ownership Plan)
4. Sell to an unrelated, third party buyer

In some cases, a recapitalization that allows you to take cash out of the business or a straight liquidation may be appropriate. Each of these options has distinct advantages and disadvantages. At times, they can also be combined to better meet your overall goals.

PERSONAL FINANCIAL, RETIREMENT & ESTATE PLANNING

Personal Financial Planning

Often the first step in reaching your goals is the most difficult. Personal financial planning is a necessary step to help individuals and particularly small business owners set realistic financial goals and objectives and develop strategies to reach those objectives. A comprehensive financial plan will prepare you to meet financial challenges at each stage of your life.

Many professionals, from insurance representatives to personal bankers, offer some aspect of personal financial planning services. Although these professionals offer certain advantages, the complexities of high net worth clients who are also business owners requires a personal financial specialist who is also a certified public accountant. At Next Plateau, we obtain the best advice from our team of advisors and provide you with the additional comprehensive expertise in business, tax and estate planning, financial forecasting and investment analysis that you require.

We frequently collaborate with attorneys, bankers, and insurance and investment professionals in order to provide the best overall advice. Our financial planning team can address issues such as retirement planning, education funding, cash flow management and budgeting. We can also assist attorneys in structuring documents that reflect client estate planning objectives. Additionally, we are able to address client-specific issues from choosing between life insurance options to choosing and monitoring investment managers.

By using Next Plateau to oversee the entire process, you can be certain that the advice received is objective and not tied to any specific investment product, and that the plan meets the long term objectives of your overall exit plan.

Retirement Planning

One of the most common reasons for personal financial planning is to establish a solid financial base so that individuals can retire and still maintain their lifestyle. Effective retirement planning requires forecasting your planned retirement lifestyle, which includes your anticipated savings and income. We can help you consider all of your retirement needs and assist you with developing long-term financial plans for achieving your retirement goals.

As part of our overall retirement planning process, we work with insurance and legal professionals to protect the assets available for retirement through acquisition of long term care and other insurance as necessary. We may also recommend the implementation of trust agreements to protect assets from creditors, as well as other more complex strategies, if warranted.

We can provide:

- Insight into timing social security benefits
- Tax efficient distributions from qualified retirement accounts
- Tax and financially sound decisions on the purchase and sale of real estate
- Analysis of early retirement offers
- Review of stock option plans and other employee ownership programs
- Use of cash value life insurance, reverse mortgages, and other financial decisions that may happen at this important transition stage.

Estate Planning

The best estate plans incorporate all your financial, family and tax considerations to ensure maximum benefits. Families investing in the estate planning process must be certain that their advisors understand the entire financial and family situation. At Next Plateau, we partner with your legal and financial advisors to ensure that the overall estate plan best fits your needs.

Our professionals are fully versed in the use of sophisticated estate planning strategies, which include family limited partnerships, generation skipping transfers, charitable giving strategies, and various trust arrangements. Our specialists can assist with developing and administering an estate plan. Our goal is to remain actively involved in the overall financial lives of our clients after the initial plan is developed to ensure that our plans are excellent not only in their design, but in their implementation as well. We often find that poor administration causes many problems that could be easily avoided with proper oversight.

Such ongoing oversight may include:

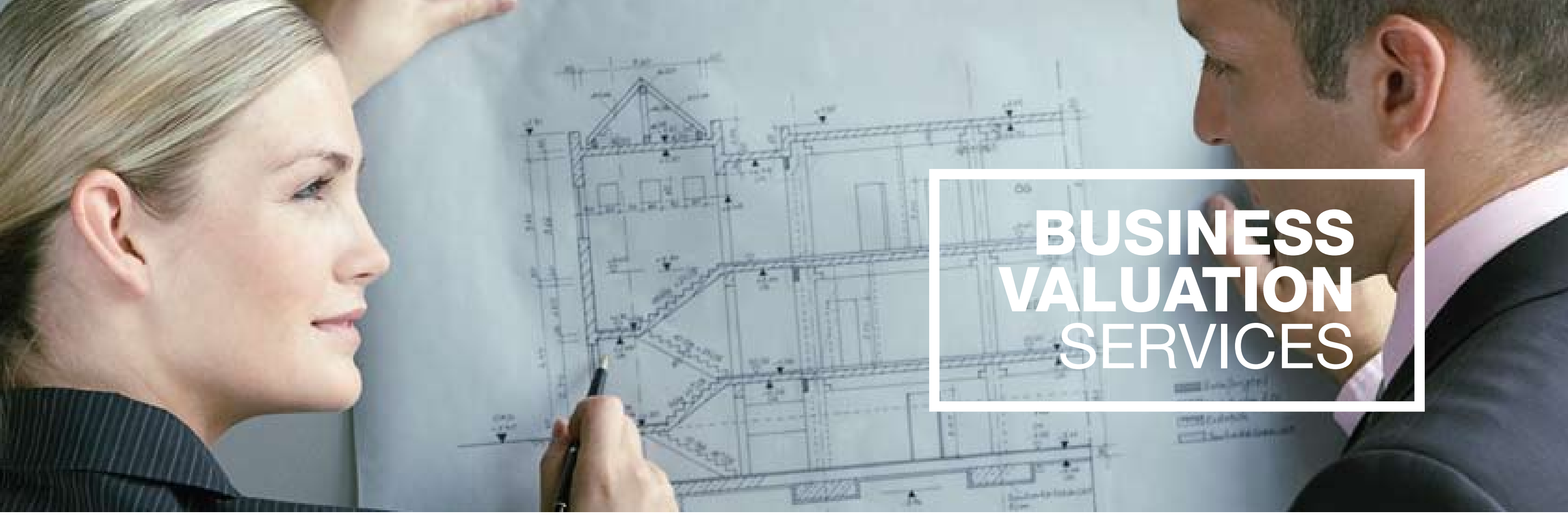
- Assuring assets are properly titled and necessary administrative issues are completed appropriately
- Assuring payments are made in a timely manner and from the correct accounts
- Executing withdrawal notices in a timely manner
- Preparing appropriate and correct tax filings

In addition to retirement and estate planning, comprehensive personal financial planning can include:

- Financial Statement Preparation and Analysis
- Budgeting and Cash Flow Planning
- Income Tax Preparation and Planning
- Risk Management and Insurance
- Investment Return Analysis and Planning
- Charitable Giving
- Education Funding

Comprehensive estate planning considers the many available strategies that fit your particular situation, including:

- Life Insurance Planning
- Lifetime Gifting Strategies
- Charitable Giving Techniques
- Planning for Qualified Retirement Plan Assets
- Family Limited Partnerships
- Qualified Disclaimers
- Grantor Retained Annuity Trusts
- Qualified Personal Residence Trusts
- Intentionally Defective Grantor Trusts
- Self-Canceling Installment Notes
- Generation-Skipping Transfers



BUSINESS VALUATION SERVICES

The valuation of a closely held business requires special financial expertise, a thorough understanding of the business and its industry, consideration of the size and rights associated with the interest being valued, and the purpose of the valuation itself. The value of a business interest can vary dramatically based on whether it controls the business operations or not, if there is an identified buyer, whether there are non-compete agreements and employment agreements with key personnel in place, and other important factors.

There are three traditional approaches to determining the fair market value of interests in closely held entities: the income approach, market approach and cost or underlying asset approach. Of course, the true indication of value is the price and terms received upon a sale. Price and terms can vary dramatically based on the potential buyer. For instance, management or children of the owner may be appropriate buyers, but they will often not be able to pay top dollar and will need to pay over time relying on the profits from the business as the source of funds.

At Next Plateau, our valuation professionals can identify and apply appropriate valuation methods for a particular business, and help you understand the factors affecting value. Our reports are designed to ensure readability by clients and their advisors. We understand the risk factors that affect closely held companies. We are knowledgeable of the tax issues and adjustments related to financial statements that may be necessary for a valuation, and we are adept at determining and supporting the capitalization and discount rates used to calculate the value of a business. We will consider other factors that are often overlooked when determining value, including the value of non-operating assets, the additional cash flow generated by reducing owner and family member salary and perquisites, and similar adjustments. Depending on the purpose of the valuation and the interest in the business being valued, we can also calculate discounts to value, when appropriate.

Income Approach

The income approach establishes value by capitalizing earnings and/or cash flow by a discount or capitalization rate that reflects market rate of return expectations, market conditions, and the risk of the relative investment. Generally, this can be accomplished by the capitalization of earnings or cash flow methods and the discounted cash flow method.

Market Approach

The market approach compares the subject company to similar businesses that have been sold. Generally this is done through a comparison to publicly traded guideline companies or by an analysis of actual transactions of similar businesses sold. In many cases, this data is difficult or impossible to obtain and this method cannot be relied upon.

Underlying Asset or Cost Approach

This approach determines the value of the assets of the business net of liabilities.

VALUE ENHANCEMENT STRATEGIES

Value Enhancement focuses on improving the profitability and cash flow of the business while also attempting to mitigate the risk involved in the ownership of the business. Basically, enhancing the value of a business means transforming the business from an "average" to an "excellent" performer as compared to other companies in the same industry. It can involve all aspects of the business including facilities, production and personnel, as well as financial performance. A business buyer reviews all aspects of a company in considering a purchase. These should include: the past performance of the company, management and personnel, the physical plant and equipment, the future potential of the company, and the market in which it competes. Assuming the buyer has already considered and accepted the company's basic composition, including its size, products and location, most of the other operating factors that are evaluated essentially relate to risk.

For example, if a company's operating margins are lower than the average company in its industry or if receivable days are higher than the average, a buyer will consider that company to have a higher risk. The same would apply if that company did not have a strong management team ready to take the owner's place after a sale or if a large percentage of the company's sales were concentrated with one customer. The higher the perceived risk, the lower the purchase price, and often a reduced interest in purchasing at all.

Sophisticated business buyers consider a number of factors in their evaluation of a company. We have identified over 50 important factors that buyers need to consider in determining the value of a particular company. These factors are divided into Personal, Business Operations, Industry, Legal/Regulatory, Financial, and Economic/M&A Market. Each factor should be rated as an area of strength, an area of potential improvement, or as neutral meaning it has no major effect on the value of the company. The company should then focus on highlighting strengths and mitigating weaknesses.

Price Versus Perceived Risk

BUSINESS STRUCTURE & TAX PLANNING SERVICES

At Next Plateau, our experts can help businesses, families, and high-net-worth individuals develop optimum tax strategies that address all aspects of their financial situations. We focus on a wide range of advanced tax services, which include entity structuring, transaction consulting, family wealth transfers, and qualified and non-qualified benefit program reviews, among others.

Tax Structuring/Choice of Entity

A company's structure can significantly affect the tax planning opportunities available to its owners. The type of entity determines the liability, tax rates and procedures, available deductions, allocation of income and expenses, management requirements, stock options, and deductible fringe benefits available. Our professionals can help explore the advantages and detriments of various entities, such as sole proprietorships, C corporations, S corporations, limited liability companies and partnerships. We can also help establish a more tax-efficient structure if the current one is not ideal.

Mergers and Acquisitions

Clients considering the purchase or sale of a business must consider the various federal and state income tax ramifications and potential tax planning opportunities surrounding a proposed deal. These factors may include structuring alternatives, as well as different federal income tax provisions.

Our team can help you decide if the transaction should be structured as a sale of assets or as a stock sale. We can assist in determining the optimum sale price and consider the tax treatment of related expenses and payments to maximize the tax deductions to the purchaser, or minimize the tax burden to the seller. We can also assist with acquisitions by determining the allocation of the purchase price among the assets to be acquired.

Employer/Employee Benefits

Many companies offer some form of qualified retirement, cafeteria, tax-free fringe benefit, or employee stock ownership plans (ESOP) as a way to protect individual income from taxation. Our professionals can help you to understand the requirements for various plans and explain the various options available. We will also suggest ways to utilize these plans as part of an overall financial strategy.

EXECUTIVE COMPENSATION & BONUS PLANS

In many businesses, employees are the key to overall success. As a business owner, you know that satisfied employees will result in increased retention and production. Therefore, you must reward them for being an invaluable asset to your company.

At Next Plateau, our specialists can offer suggestions to determine an appropriate employee incentive program for your business. We will work with your current advisors or we can suggest strategic partners that have successfully helped many businesses establish and maintain qualified benefit plans, non-qualified executive compensation plans, incentive stock option plans, and other employee incentive programs.

Qualified Employee Benefit Plans

Designing a qualified retirement plan to meet the needs of a particular employer is a multi-step process. First, we must identify which types of plans the employer is eligible to sponsor. Then, an appropriate plan must be designed to meet the stated goals of the employer.

Non-Qualified Employee Benefit Plans

Owners of closely held family businesses frequently find themselves in a situation where they want to provide adequate compensation to non-family members who are key employees. Unlike family members who are active in the business, these key employees may never own a meaningful percentage of the business. A family member destined to own a significant portion of the business may be willing to look past current compensation shortfalls. For a non-family member who may have no ownership prospects, a carefully designed non-qualified deferred compensation plan may be a good option.

Incentive Stock Option Plans

Companies issuing stock often wish to create incentives and awards for employees by offering them the opportunity to obtain a portion of the business through the issuance of stock options. This type of plan is useful as a means to motivate non-owner employees to increase the value of a company and thus make the stock options more valuable.

BUSINESS PLANS & FINANCIAL PROJECTIONS

A business plan defines your business and outlines its goals. The basic components of a business plan include a current and projected balance sheet, income statement, and cash flow analysis. A good business plan will explain the business' growth plan and provide detailed information about the financial results expected from operations and the company's ability to meet its long and short-term goals, including debt repayment, expansion, or ownership transition.

At Next Plateau, we can assist you in articulating your business plan, applying the plan to financial projections, and implementing and updating the plan over time.

Reasons to prepare a detailed business plan include:

- Provides management team with a unified cohesive plan
- Determines financial and capital needs and provides support application for loan applications or solicitation of equity
- Recruit high level management
- Determines business, department and individual goals whichthat can be tracked and compensated according to actual results
- Provides family or a buyer with a road map if there is a catastrophe involving the owner
- Highlights strengths, weaknesses, opportunities and threats that should be considered in ongoing planning

BENCHMARKING & INDUSTRY COMPARISONS

Simply stated, benchmarking is the comparison of a company's results against established standards. These standards or "benchmarks" can include:

- Industry Averages
- Specific Competitors
- The Company's Past Performance
- Best Practices
- Budgeted Goals

Benchmarking gives management an understanding of how the company performs against industry standards and other competitors. For organizations that want to position their company for greater success, benchmarking should be a top priority.

Internal benchmarking compares a company's performance against its past performance or targeted goals. It clarifies weaknesses and quantifies areas in need of improvement. External benchmarking compares the company's results against the industry, specific competitors, or best practices.

At Next Plateau, we can provide internal and external benchmarking services. Generally, we recommend a combined approach that highlights your company's strengths, as well as areas that need improvement. Our benchmarking services also measures your company's results for financial trends that affect overall performance.

PRE-TRANSACTION DUE DILIGENCE SERVICES & SECURE ELECTRONIC DATA RECORDS

Pre-transaction due diligence is the proactive preparation of a business for a transfer of ownership and it is a crucial step in protecting the value of your company. The goal of a pre-transaction due diligence review is to identify and fix any perceived problems or issues so they do not affect a future transaction.

Pre-transaction due diligence involves conducting the same kind of investigation of your company that a buyer, banker or investor would do just prior to closing. It involves two major types of analysis – a financial audit and a legal audit.

The financial audit involves a third party review of the quality and depth of the financial information that will be presented to a potential buyer, banker or investor. The business owner must ensure that every line item on the balance sheet and income statement for the company, as well as the backup information used to generate the statements, is absolutely correct.

In addition to a pre-transaction financial due diligence, business owners need to conduct top-to-bottom legal due diligence to ensure that, among other things:

- All corporate housekeeping records have been kept correctly
- All employment practices are current and legal
- There are no hidden or unknown liabilities
- There are no regulatory issues
- All licenses, filings and permits are up-to-date
- All legal contracts, including leases, are valid, binding and up-to-date
- Your company has good title to its tangible and intangible assets
- You have adequately protected your intellectual property including any technology, trademarks, or patents

Your advisor group will work together during the pre-transaction due diligence process to assemble a "due diligence chest." This filing cabinet contains copies of all of the records and documents that a buyer, banker or investor will request when they come in to perform due diligence.

For the business owner, the key is to get started early because a thorough audit takes time. The point is for you to find potential problems and issues before the buyer, banker or investor does. When they identify a problem during their due diligence it can have a huge impact on the value of a company if not derail a situation completely. There is nothing worse for a business owner than having to admit that there is an unknown skeleton in the closet, especially if the skeleton is first spotted by the buyer.

Even if the ultimate effect on the company's operations is minimal, the problem or issue can result in a loss of confidence on the part of the buyer, banker or investor. It will cause them to be suspicious of any additional information provided by the business owner. It will also provide negative fodder for negotiations and put the seller on the defense.

The same issues are just as important if you are considering a generational transfer or a transfer to your existing management team. In both cases you want to hand over your business to the new owners in clean condition without any last minute surprises. Last minute surprises can undermine an otherwise positive experience for everyone.

The cost of doing pre-transaction due diligence can vary widely depending on how well your company is organized and what types of problems are identified. That said, it might be one of the best investments you can make if the process identifies and fixes a problem that could derail a transaction. The net result of this process will be the peace of mind that comes from knowing that there will be no last minute surprises for you that may unnecessarily impact the value of your company when you decide to take that next step.

Consequently, we strongly recommend that you begin the pre-transaction due diligence on your company well before any contemplated transaction.

MERGER & ACQUISITION REPRESENTATION

At Next Plateau, we recognize that the sale of a business is an emotional, time consuming, and technically complex transaction. Our in-depth experience relieves business owners of much of the burdens and pressures associated with a sale, while maximizing shareholder value and bringing a seasoned, objective perspective to the process.

We work with business owners and their advisors to manage the total sales process – from clarifying the owners' goals through closing the transaction. We can provide comprehensive management of the entire process or handle specific areas to create the largest number of alternatives for the seller, resulting in a transaction that achieves the maximum benefit for the owners.

We are comfortable working directly with investment advisory firms, attorneys, and other advisors on your behalf. We can be directly involved in negotiations or simply provide assistance with document review, tax structuring, or the due diligence process. Whatever the situation, we can work as needed to complete your advisory team.

Sale to Third Party

We can assist the business in gathering information and working with intermediaries, potential buyers, legal and other advisors so that you do not lose focus on the business itself. Our experience in the process will enable us to keep the transaction moving and the various advisors coordinated and working toward the common goals.

Management Buy-Out (MBO)

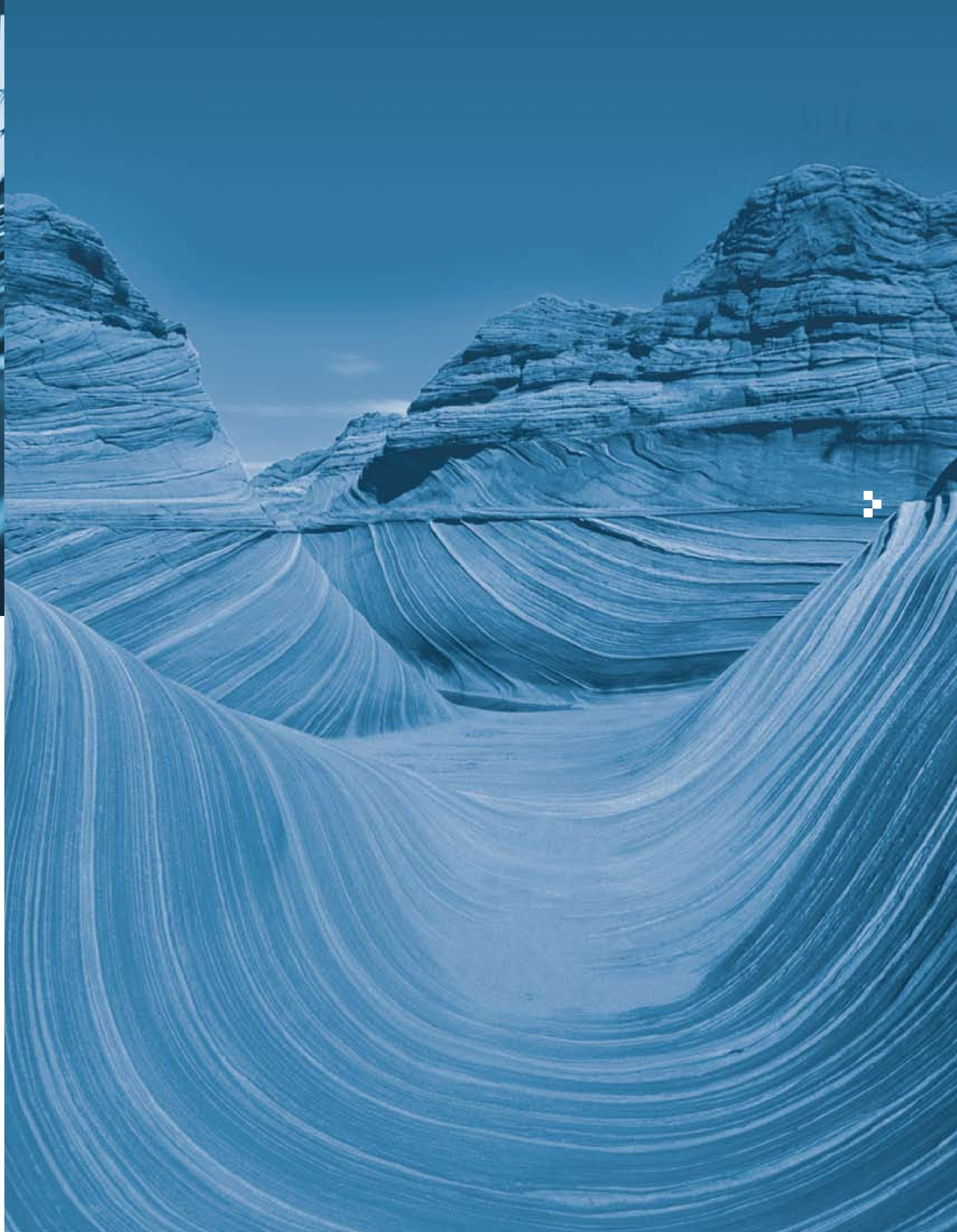
We assist management teams in the acquisition of their company.

Employee Stock Option Plan (ESOP)

Working with employee groups and owners, we help to determine the viability, implementation, and financing of ESOPs as a business sales strategy.

Business Succession Planning

Our professionals will assist you in developing a long-term plan that meets the goals of everyone involved while reducing your overall tax burden. This might include the drafting of a buy-sell agreement, the establishment of a planned giving program or the establishment of deferred compensation programs.



NEXTPLATEAU
CONSULTING LLC

455 N. Cityfront Plaza Dr., Suite 2600
Chicago, Illinois 60611-5379

T: 312.670.0500
F: 312.670.8301

www.next-plateau.com