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**Private Equity and the Packaging Industry**

Mason Wells recently attended a major packaging conference and observed a significant level of private equity-related discussion. A strong private equity partner offers an ownership group and its management team numerous benefits including the ability to remain autonomous, sophisticated financial management and stewardship, focused strategic planning, industry-specific resources, equity roll-over opportunities, and valuations comparable to strategic valuations.

With current strong margins, industry fragmentation, blue chip customers and stable, growing end markets, packaging is an attractive sector. However, if history is any guide, the run of strong earnings growth and margin expansion will not last forever.

Mason Wells has been focusing on the packaging and paper industry since the mid-1980's and has closed and successfully exited more than ten buyouts in the sector over this period. Mason Wells is well-positioned to be a value-added investor to privately-owned packaging businesses, particularly as we potentially begin to enter a more challenging economic environment over the next couple of years.

Mason Wells acquired Sturm Foods, a leading private label food packager, and Creative Forming, a leading thermoformer for the food industry, during the 1999-2001 time period, a period of economic strength and characteristics reminiscent of today.

The investments were successful in large part due to an understanding of the packaging industry and access to unique packaging industry resources. This experience enabled Mason Wells to help guide these companies through the economic challenges of the first half of this decade and position the companies to become leaders in their markets through operational improvements and profitable growth initiatives.

Mason Wells focuses on flexible or rigid packaging and converting companies that produce plastic and paper-based products serving primarily the food and beverage; medical and pharma; and personal care industries. Mason Wells prefers privately-owned businesses in the Midwest with sales of \$40 to \$250 million. Please contact Greg Myers or Tom Smith with any packaging buyout opportunities that meet these criteria.

**NameProtect Acquired by Corporation Service Company**

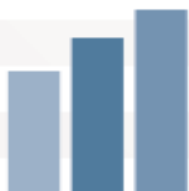
NameProtect, Inc., a venture fund portfolio company and leader of digital brand management solutions, announced that it has been acquired by Corporation Service Company (CSC), a leading provider of legal and financial services to corporations and law firms.



include comprehensive trademark clearance searches which incorporate Internet search results, digital brand monitoring solutions that identify and prioritize brand and logo abuse, global domain name management and acquisition services, ReverseWhois searches, and online risk management solutions.

Both companies will now offer customers enhanced and expanded trademark and brand-related products and services from the merged product line. These services and products

The combined organizations will give customers a single source for managing, monitoring, promoting, and protecting their brands.



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## Portfolio Company Updates

**Converting, Inc.** Converting, Inc., a Buyout Fund II portfolio company, recently launched the new Kid's Table™ program as part of its new Holiday 2007 Special Occasion® product line at the National Halloween, Costume & Party Show in Chicago.

The Kid's Table™ program is a comprehensive holiday program that includes disposable tableware, as well as a variety of wearables and interactive activities designed to enhance the family Thanksgiving or Christmas celebration. The Kid's Table™ program includes holiday tableware with designs that appeal to kids of all ages along with themed hats and vests, interactive games, character placecards, activity placemats, centerpieces, and designed cutlery.

"Our research findings indicate that the majority of families today have separate tables for children, which is a huge opportunity that hasn't been addressed by the party goods industry," states Bill Zimmermann, V.P. Marketing with Converting, Inc. "Mothers and grandmothers surveyed in our market research told us our concept was a winner because the program offers convenience for the hostess, and play value for the kids by getting them involved in the celebration."



**HK SYSTEMS** HK Systems, Inc., a Mason Wells managed company, implemented their automated material handling and supply chain software solution for the Denver Newspaper Agency during their recent facility expansion project.

HK's ten-month project, completed prior to the holiday season, provided complete inventory accountability and control of Free Standing Inserts (FSIs) pallet movement

from receiving through delivery. The comprehensive solution included an HK Systems integrated turnkey two-aisle automated storage and retrieval system (AS/RS) and Material Tracking and Control (MTC) System.

**chf solutions** CHF Solutions, Inc., a venture fund portfolio company, recently announced that a clinical study published in the *Journal of American College of Cardiology (JACC)*, showed that hospitalized heart failure patients who received a unique and simplified form of ultrafiltration therapy (Aquapheresis) as part of their care lost more weight, experienced greater net fluid loss, and had fewer rehospitalizations than patients treated primarily with intravenous diuretics.

The Aquapheresis therapy is a system developed and manufactured by CHF Solutions which can remove over six times more water and 12 times more salt in a 24 hour period compared to standard care using diuretic drugs. Further analysis of the results of this study will be presented this Spring at the American College of Cardiology (ACC) 56th Scientific Session.



**TeraMedica** TeraMedica, Inc., a venture fund portfolio company, has secured a number of notable contracts to integrate medical imaging with electronic medical records (EMR). TeraMedica's Univision product has been installed at Thedacare and Meriter, where it was integrated with EPIC Systems EMR.

Aurora Health Services recently agreed to install Univision in order to optimize their Cerner EMR. The Marshfield Clinic has signed an agreement to install TeraMedica's Evercore Clinical Information Manager.

### Investment Criteria

Mason Wells is a leading private equity firm with over \$500 million under management. For 25 years the principals of Mason Wells have been successfully investing in Midwest-based middle-market companies.

#### Financial Characteristics:

- Company Revenue \$25 - \$250 Million
- EBITDA \$5 - \$30 Million

#### Company HQ Location:



#### Transaction Types:

- Management Buyout of a Closely Held/Family-Owned Business
- Management-Led Buyout of a Non-Core Division
- Owner Recapitalization
- Management-Led Buyout of a Public Company

#### Targeted Industries:

