

MERCHANT BANKING
MANAGEMENT CONSULTING



STERLING COOPER, INC.

ESTABLISHED 1907



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COMMITMENT OF THE PRINCIPALS

Since our founding in 1907, we continue to pursue deal-making on a global basis. We use our own funds in each transaction, thus allowing us a stronger bond with sellers as well as remaining management. We commit our funds, our business experience and our time solely to transactions for own account.

If you are looking to sell your company, divest a division, or just get an idea of the value of the business, we will be happy to provide you with our services totally, confidentially and quickly. If your business needs management assistance, we are ready to help, in return for an equity ownership.

We are looking forward to doing business together.

Our Company

We operate through regional and international offices in the conduct of our Merchant Banking business. Whatever your business needs, we are your “instant response” team.





MERCHANT BANKING

STERLING COOPER, INC., and our clients concentrate our activities on an old business idea founded by the Dutch East India Company -doing deals for their their own account, for their officers, and select investors and managing directors.

Our business philosophy rests on the idea that each transaction we structure involves our ownership participation, generally a controlling interest.

We are ready to acquire a business with its management, or allowing former owners to retain an interest. We can assist with management consulting services or arrange a merger or disposition of a division which is no longer a strategic fit with its parent company.

Business transactions today require the ability to structure all elements with speed and precision, and we are very aggressive in both areas. Decisions can be made quickly, since we decide quickly using our own funds - and have an affiliated lending consulting division.

The largest transactions that our principals completed to date was the purchase of an \$888 million revenue company, and that particular deal was closed in a record 24 hours, the largest structured; \$3.5 billion.

If you have realistic expectations with respect to the sale of a business or its assets, and want to move quickly, call the deal makers - call us.



In 1609, Henry Hudson was chosen by the Dutch East India Company to search for a passage to Asia.



Acquisition Criteria

Trucking - Transportation

We will acquire motor carriers and inter-modal carriers with minimum revenues of \$20 million. Our primary interest is in established carriers with 48 state authority or niche carriers with significant local or intra-state authority.

We have no limitations on the type of commodities being handled, including dry van, bulk, liquid or refrigerated. Specialty niches such as dump, cement, demolition work or road building and asphalt paving are also of interest to us.

In all cases, there must be a management team remaining after the sale.

We may consider smaller carriers if we determine there may be a fit or a merger possibility with one of our larger carriers.

Retail Business

Any type of retail establishment is of interest to us, other than service, restaurant, food service businesses and hotel properties.

Our preference would be department stores, discount store chains, specialty stores, menswear stores, hardware stores or home center chain stores and lumber yards, with minimum revenues of \$20 million.

We will also acquire inventories for liquidation on the existing premises or surplus merchandise, provided such sale is a minimum of \$5 million.





Commercial Printing

We are interested in commercial printing operations utilizing either web or sheet-fed printing processes, however, revenues should be a minimum of \$10 million, with key management remaining in place.

Specialty printers in niche areas are especially desirable including foil stamping, embossing and specialty brochure, sample book and industrial sales catalog printers.

Printers of high quality corporate reports, product brochures, financial reports, proxy materials and prospectuses are of great interest to us.

Management other than the sellers must remain with the company.

Manufacturing

We will consider acquiring any type of manufacturing company with any product except highly perishable foods, or very technical and specialized process engineering and design firms.

We have no limitations and we will also consider heavy industrial processes such as stamping plants, foundries, steel, wire and aluminum products, provided that revenues are a minimum of \$15 million.

Management other than the sellers, must remain with the company.





Wholesale Distribution

We will consider any type of wholesale distribution company, including hardware, plumbing, lumber, wallcoverings, paints, windows and window hardware, certain soft goods, appliances and electronics with minimum revenues of \$10 million.

In addition, we are especially interested in auto and truck parts distributors, as well as food service, tobacco and sundry products.

Mechanical Contracting

We are interested in established heating, ventilating, air conditioning (HVAC) contracting firms as well as specialty plumbing, piping, fluid movement and pressure contractors with minimum revenues of \$20 million.

We will also consider electrical contractors as well as general contractors who do a significant amount of their own mechanical/electrical work.

Management other than the sellers, must remain with the company.

Real Estate

We want to acquire commercial properties with rental income of at least \$1 million as well as apartment projects containing at least 200 units, and priced to yield 15% - 19% on the purchase price.

We will consider any property not over 20 years old, with a verifiable rental history.





SCOPE OF SERVICES

Mergers and Acquisitions

We offer one of the strongest M & A departments of any merchant banking firm as well as significant experience in hostile / friendly tender offers.

We started the LBO buyout frenzy relating to retail store chains with our purchase of a 100 year old, New York Stock Exchange listed, department store chain, and participated in some fashion in all major buyouts of the 80's: through arbitrage, making a buyout offer, accumulating stock or putting a company into play.

We also work with all major investment banking firms and intermediaries to locate and acquire/sell any type of business quickly, since we or our clients are always principals in each transaction.

Tender Offer / Acquisition Advisory Services

We act as your confidential source to identify an acquisition target that meets your criteria. Then, we handle all the planning for a takeover (if the target is a public company) or handle all the negotiations with sellers directly, to meet your purchase objectives.





Business Valuation Services

When you get an appraisal of your business, you want to know that it can truly “sell” for that price.

Our appraisal services are handled in two ways

- [1] We provide a true going value business appraisal that involves us being ready to buy the business at the appraisal price or,
- [2] We provide an asset appraisal as a stand alone at either market value, orderly sale value or auction value.

No appraisal firm provides you with our unique going business acquisition value, at which we will buy the business.

Loan and Loan Brokerage Services

Nobody knows loans and how to get them better than our firm.

We can structure a direct loan from various lenders, or we will arrange to compete for your loan with some of the many loan sources we deal with, for best terms.

Management Buyouts

We assist, coordinate, plan, structure and source all financing for management buyouts of public and private corporations.

In each transaction, we act as your agent and prepare an Offer for purchase along with senior management who will continue to operate the business on a day to day basis. We can also structure an ESOP ownership depending on various needs of the seller.



Asset Purchases

We or investors will acquire any assets which relate to our business acquisition criteria including trucks, tractors and trailers by either a cash purchase or through debt assumption.

In addition, areas of special interest would be printing equipment and new retail or wholesale inventories.

Debtor-In-Possession Services

We work with a variety of parties involved in the reorganization process: the debtor, its management and turn-around team, creditors and creditors' committees, the trustee and secured creditors.

Our services concentrate on creating and custom designing a plan of corporate financial recovery in order to exit the bankruptcy process as soon as possible, as a financially stronger corporation.

We are especially effective with financial restructurings involving secured creditors/bond holders and obtaining refinancing subsequent to the reorganization.

Although each transaction is unique, our efforts are designed so as to allow the continuation of the business with the best possible post-bankruptcy balance sheet and reasonable retention of the equity holders' interests.

Our fee structure is unique in that the majority can be paid through a future equity interest, thus providing a financial partnership for the best possible results.



Equity, Mezzanine and Subordinated Debt

We, or investors, can participate in any transaction, provided we have a substantial return on investment.

Mezzanine or subordinated debt can be arranged by direct investment or through providers in these specialty areas.

Management Consulting

Our experienced group of senior managers will provide your “instant response” team for any problem situations involving operations or cash flow.

We don't just make recommendations; we follow through by implementing the solution. We are willing to stay on as your principals who will obtain financing or refinancing or stay on for or through, a reorganization.

Whether you have a management problem, financial problem or marketing weakness, call the “instant response” team, call us.

Business Turnaround Services

Our business recovery group focuses on assisting crisis situations toward a stable daily operation. We work with vendors, lenders and employees to address the difficulties and to coordinate their participation in the company's recovery.

We develop a Business Plan for optimal use of cash and prepare cash flow projections for survival and recovery. In addition, we work to restructure debt and obtain new or alternative financing for the ongoing business.



Retail Services

In addition to acquisitions along our investment criteria requirements, we can provide a retailer with instant cash for his inventory or handle a liquidation or windup of the business.

These service may include negotiating with creditors, obtaining new merchandise inventories or cancellation of store leases.

We can also arrange private label credit cards and charge card processing services, and credit card advances.

Human Resources Outsourcing

The STERLING/OIS Group is a professional employer full service consulting firm with clients from start-ups to well established companies. We offer custom tailored human resources outsourcing, employee benefits, and insurance solutions which enable you to save time and money, reduce liability, attract and retain quality employees, and most importantly focus on what you do best.

Whether a la carte or by leveraging our group purchasing power, our clients enjoy the benefits of human resources compliance, modern day technology, more optimal and affordable employee benefits (group health, 401K, non qualified executive plans, etc), protection from employment related lawsuits, a one stop solution for insurance and risk management needs with experts in each area, and much more.



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