

Dear Friend:

It's time for our more or less annual update. As you would expect, in these frantic times we have been busy.

➔ **RECENTLY WE CLOSED:**

- The sale of Process Software Corporation, a provider of TCIP/IP software, to Platinum Equity Holdings;
- The sale of Vibrint Technologies, a provider of digital news editing solutions to Grass Valley Group, a leading provider of digital media hardware and software solutions;
- The sale of General Latex and Chemical Corporation, a supplier of urethane and latex compounds (just in case you didn't think we were capable of working with companies with assets that don't go home every night) to Dow Chemical;
- The \$100 million sale of the Forum Corporation, a leading "soft skills" training management company, to the UK-based major publishing and training firm Pearson;
- We advised the special committee of the board of ThermoTrex Corporation (which amongst other things owns the majority of publicly held ThermoLase and Trex Medical) in the "spin in", by its parent, Thermo Electron Corporation;
- The sale of Alliance Consulting Group, an Internet strategy firm, to Emerald Solutions, a provider of e-business solutions;
- The sale of Integrated Computing Engines' desktop solutions business, a leader in the design, development and marketing of desktop solutions that enable the creation and distribution of broadcast quality video projects on desktop computers, to Media 100, a pioneer of streaming media production tools;
- The sale of Palmer Johnson, the premier large luxury yacht builder in the U.S., to Andrew McKelvey. McKelvey is the founder and CEO of TMP Worldwide, the parent company of Monster.com. Although it was another test of loyalty (over one year) for us, this was a fun change of pace. So much of what we work on there is nothing to see (a little computer code?). Palmer Johnson builds magnificent 100-200 foot custom yachts; and no unfortunately we were not able to take our fee in a boat.

➔ **ANNOUNCED BUT NOT YET CLOSED:**

- The sale of Advanced Visual Systems, a leader in high end visualization software, to Muse Technologies, a developer of perceptual computing solutions.

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→ **PROJECTS WE'RE WORKING ON INCLUDE:**

- Partnership discussions with a diagnostic products company in the area of women's health;
- A B2B and B2C consolidator in an e-healthcare vertical space;
- An e-solutions full-service provider delivering custom ASP solutions;
- An e-solutions consulting firm focusing on enterprise application integration technology;
- An e-commerce infrastructure software company focusing on content management solutions;
- A supply chain management company focusing on e-fulfillment and warehouse/distribution solutions;
- An application integration software company focusing on CRM systems.

We had a couple of deals die in the Nasdaq correction of early April and we continue to be busy. Over and beyond the normal cycle of entrepreneurs seeking liquidity, the activity has accelerated as a consequence of several factors including: companies with highly valued stock using it to fill in strategic holes, venture capitalists attempting to focus more energy on their companies with the greatest potential, companies trying to focus their energies on their new economy activities and the consolidation of Internet companies forced by their continued demand for capital coupled with the reduced availability of capital.

On the personnel front, Mike Kent recently of Camp Dresser and McKee, an environmental consulting firm, joined us in April. Mike is a 1997 graduate of Harvard College. With the addition of Mike we have expanded capacity. We are busy but never too busy to work with friends. Also, keep in mind that a portion of our practice is assisting conversations that are already in process where people want to have the process managed "expertly" to increase the chance of success.

We hope all is well with you and look forward to being of service.

The very best,



Chris Covington



Tom Cibotti



Ben Dunn