

COVINGTON ASSOCIATES

June 1992

Dear Friend:

Things have been very busy over the last six-nine months since I last communicated. Accomplishments (if I may be so presumptuous to consider them such) over this period include:

- a 9.2 million equity private placement for a publicly held company.
- the sale of one of the larger chains of environmental testing labs.
- assisted two clients in deciding not to do transaction (both larger publicly held companies)
(I consider this just as important an activity)
- smaller support roles in seven other transactions

My current activities include:

- a \$25 million restructuring and equity and debt private placement.
- a strategic partnership for an \$80 million provider of health care information systems.
- a strategic partnership for a \$30 million provider of computer systems to financial institutions.
- a strategic partnership for a leader in a niche of networking software.

The common denominator is advice intensive. My friends in the emerging growth boutiques are so busy writing IPO prospectuses that advice has too high an opportunity cost. My friends at the big New York investment banks are much smarter than I am and give much better advice but not for these under 100 million companies. All this adds up to being busy, but never too busy for a friend with an interesting company run by fun people who need advice which may lead to a transaction. Having said this I can only give the sort of senior advice I promise to 4-5 companies at a time.

On the investing front I have put a little money away privately, the most notable of which was leading a \$4 million financing (in partnership with my friend in Madison Wisconsin) for an interesting semiconductor capital equipment manufacturer.

Perhaps equally interesting, at least to those interested in proving my lack of sanity, is my intention to move from California (must be crazy) to Massachusetts (definitely). The reasons are several fold professional and personal. First

my business is currently 75% East of the Mississippi and I'm tired of food in small compartments (of course as soon as I move my clients will become 75% in California). Secondly I believe Massachusetts will experience a cyclical rebound, while California is regrettably experiencing a cyclical if not secular downturn. Finally my wife's family is from the area and the catalyst was we bought a wonderful property on the water north of Boston out of bankruptcy where we hope you will come visit us.

The Stationary shows my new address and phone numbers. Please update your mailing list/rolodex. As always I wish each of you the greatest health and success and I look forward to staying in touch.

Sincerely,

A handwritten signature in blue ink that reads "Chris Covington". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Christopher H. Covington