



Services

Janes Capital Partners is a leading southern California based investment banking firm providing complex financial solutions to meet the value creation and liquidity needs of its clients.

Past and present clients include: Fortune 500 companies, private equity groups, small private business owners and management teams. Approximately sixty percent (60%) of our business is in aerospace & defense with the remaining forty percent (40%) distributed among a wide range of industry sectors.

The services that we provide include the following:

- Mergers & Acquisitions
- Recapitalizations
- Management Buyouts
- ESOP's
- Special Situations/Distressed M&A

Mergers & Acquisitions:

Our primary focus involves assisting private business owners with the sale of their companies ("Sell-Side" M&A transactions).

Whereas most sellers have never bought or sold a business, many buyers, especially large corporations or private equity firms, buy or sell businesses on a routine basis. We bridge the experience gap between buyer and seller and in so doing: (i) safeguard the private business owner from the many potential pitfalls, (ii) maintain control of the process and ensure that it moves in a deliberate, timely and confidential manner, (iii) insulate the business owner from the day-to-day demands of the M&A process, so they can remain squarely focused on running the company for peak performance and (iv) assist our client in realizing the maximum valuation for the business.

Janes Capital Partners maintains relationships with a large number of strategic and financial buyers, both domestic and international. We aim to provide the "know who" as well as the "know how", unhindered by geographic or industry boundaries.

Although there is a strong preference for financially qualified buyers, in the event acquisition financing is called for, Janes Capital Partners may help source the capital from among the numerous capital providers with whom we maintain relationships. Our goal is to remove any and all impediments to getting the right deal done for our client - including but not limited to a buyer's ability to finance the transaction.

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Recapitalizations:

Recapitalizations (“recaps”) involve the sale of a partial interest in a company as opposed to the sale of the company in its entirety. There are a variety of scenarios which may give rise to a recapitalization: (i) one or more shareholders may wish to divest their holdings whereas the remaining shareholders wish to continue their ownership; (ii) a sole shareholder may for planning purposes seek to diversify his/her holdings (which are overly concentrated in illiquid company stock) by selling a portion of the stock (either control or non-control) to a financial buyer; (iii) the company needs growth capital to fund internal expansion or acquisitions, and issues debt or equity (or a combination of the two) to a financial buyer; or (iv) the Board of Directors or shareholders want to change the capital structure of the company by either: (a) increasing or decreasing its “leverage” (the composition of long term debt relative to equity), or (b) changing the nature of the equity or debt (common stock versus preferred stock, senior secured debt versus subordinated debt etc).

Janes Capital Partners is a knowledgeable and experienced practitioner of recapitalizations. Our role includes; exploring and developing various financial alternatives, presenting recommendations to the company’s Board of Directors and shareholders, ascertaining the most advantageous balance sheet structure, and arranging competitive and flexible financing.

Management Buyouts:

Janes Capital Partners assists management teams with the development and implementation of a Management Buyout (“MBO”). This typically includes developing various financial scenarios, recommending the best approach, formulating an attractive acquisition proposal, presenting the proposal to the company’s Board of Directors and major shareholders, arranging competitive and flexible financing, and conducting negotiations on managements behalf. Throughout the transaction, Janes Capital Partners will do the “heavy lifting” thereby insulating management from the tenuous position of having to go “toe-to-toe” with their current employer. Many a promising career has been cut short by “pushing the envelope” too far in an MBO, which for one reason or another did not materialize.

ESOP’s:

In certain cases, Employee Stock Ownership Plans (“ESOP’s”) may significantly outperform other traditional exit strategies. Janes Capital Partners is an active adviser to selling shareholders seeking to implement an ESOP.

ESOP’s are a flexible, tax-advantaged corporate finance tool that may be used for a wide variety of purposes. Subject to certain rules, a selling shareholder may defer (and potentially eliminate altogether) any taxable gain in connection with the sale of closely held stock to a qualified ESOP. ESOP’s allow a selling shareholder to divest their stock in a single transaction or a series of transactions over time. In the latter case, the selling shareholder is able to gradually diversify his/her holdings, maintain strategic and operating control over the business, as well as participate in potential

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future appreciation (through a subsequent sale of stock at a later date – “a second bite of the apple”).

Janes Capital Partners typically quarterback the ESOP process, bringing in and managing other advisers as appropriate, developing valuation models for review by an independent valuation firm, ascertaining the optimal post transaction capital structure, and arranging competitive and flexible financing.

Although ESOP's may represent a unique and extremely beneficial exit strategy, they are very complex, highly detailed and can create significant legal and financial problems if done incorrectly. A selling shareholder considering an ESOP should proceed cautiously.

Special Situations/Distressed M&A:

Finally, Janes Capital Partners is experienced with and may participate in special situations/distressed M&A— providing advice to those companies facing difficult financial or operating conditions. This often necessitates the sale of assets within a short time horizon either pre- or post-bankruptcy. Post-petition this also involves the sale of assets under the auspices of the court or court appointed receiver, pursuant to section 363 of the bankruptcy code.

Footnote: Representatives of Janes Capital Partners and JCP Securities are not tax professionals. We recommend that you seek professional tax advice prior to considering or conducting any tax strategies.

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