

# CM Acquisitions

## HOME

CM Acquisitions, LLC (CMA) invests private equity and provides management resources to middle-market businesses. Unlike most other private equity firms, we employ a buy and hold investment strategy with a mission to acquire, build and improve a portfolio of exceptional businesses while maintaining long-term relationships with those associated with our companies. CMA's unique partnering approach provides hands-on management assistance and forms true equity partnerships with the operating management teams of CMA's portfolio companies. Our firm's strength is attributable to the extensive business knowledge and experience in a variety of industries among our principals and capital partners.

## OUR APPROACH

Supportive Autonomy describes CM Acquisitions' perspective in partnering with portfolio company management. Management will have operating autonomy and the support necessary to maximize the company's value.

Support from CM Acquisitions is considered integral to maximizing company value in both the short and long term. The financial support of CMA Capital Partners provides for the investment in human resources, new product development and the equipment required for enhancing manufacturing efficiency and capacity. CMA's hands-on involvement early on in an investment accelerates the transition period from historical performance to superior operating margins, primarily by insuring that our management partners have the tools they need to be successful. Our transition period assistance allows management to focus on their functional area of expertise and run daily operations. Tailored to fit the needs of each business, our assistance commonly focuses on the following areas:

- Improve manufacturing quality, service, cost and safety programs
- Improve management information systems and accountability standards
- Rationalize unprofitable operations, products or relationships
- Improve employee benefits and compensation
- Execute a selective tuck-in acquisition strategy
- Strategic plan development
- Recruit/mentor talented management

CMA expects the senior management of a company to lead the operation and be fully responsible for the development and successful execution of annual business plans. The company's board of directors, which will normally include the company's president and other key managers, approves each year's plan.

Key leaders of each business will be expected to invest equity in their business and will have market-based, equity incentive plans to earn additional ownership through superior performance.

*Bottom line — our efforts allow engineers to develop solutions and be inventive, sales and marketing executives to work with customers and operators to focus on quality production and service.*

## INVESTMENT FOCUS & STRATEGY

### *Investment Focus*

CMA concentrates on middle-market manufacturing and distribution companies that possess solid fundamentals yet are underperforming relative to their utmost potential. Target company revenues will generally range between \$20 million and \$300 million. Most of CMA's opportunities will arise from the following situations:

- Sale of Private Companies. Owners confronting estate-planning issues
- Divestitures. Non-strategic subsidiaries or divisions of corporate parents
- Distressed Situations. Underperforming companies requiring strategic redirection and/or financial restructuring
- Going Private Transactions. Enabling owner/managers to capitalize on value not recognized by the public markets

Preferred target companies possess proprietary products, unique capabilities or technology that customers need and prefer. Attractive industries include:

- Engineered plastics, molding and extrusion
- Capital goods manufacturers
- Outsourced industrial services
- Metalworking/metal fabrication
- Packaging and containers
- Specialty chemicals and coatings
- Electrical components

### *Investment Strategy*

CMA has an operating orientation, sponsoring acquisitions where productivity improvement is a primary source of value creation. CMA works with management to develop plans for operational improvement and revenue growth and actively supports execution of chosen strategies. CMA will augment the portfolio management team by assessing the needs of the business and either: 1) fill the leadership role if vacant at time of closing and/or 2) fill a key operating management position where a hole in the management team exists and/or 3) lead the corporate development function which identifies and manages the transition/merger of add-on acquisitions to the base business.

Our Partners desire to build through acquisition an attractive portfolio of autonomously managed businesses that continuously strive for better long-term operating performance. The equity appreciation resulting from improving performance will be shared with CMA's investors and portfolio company management teams. Acquiring middle-market manufacturing companies and enhancing the equity value of these companies over the long term through hands-on management and strategic tuck-in acquisitions align well with the accomplishments of our team.

## **PRINCIPALS**

### ***Charles J. Tasch, Founder and Principal***

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Chuck Tasch leads the CMA companies' efforts in developing business strategy and enhancing operating results. Currently supporting the CMA platform investments in industrial rollers/coatings and turnkey services, Mr. Tasch works closely with the Executive Managers of American Roller and Plasma Coatings to achieve the business and investment objectives of each business. Serving as a Director on the ABP Induction and American Roller boards enables Chuck to monitor portfolio performance in addition to share management of CMA with Mike and Paul.

Prior to founding CMA in 1999, Mr. Tasch managed and consulted to middle market businesses ranging in sales from \$5 million to \$300 million. His "hands-on" approach to leadership was successful in building enterprise value and improving earnings for dozens of companies in a wide variety of industries: capital equipment, machining, tool and die/metalworking, healthcare products, lawn and garden, printing, plastic molding/extrusion/converting, industrial maintenance services/supply, specialty coatings and warehouse distribution. While a partner at Silverman Consulting, Mr. Tasch had a well-earned reputation among the most prominent financial institutions in the Midwestern U.S. for being a trustworthy executive that routinely achieved superior results within a short time period.

Mr. Tasch received his BBA from the University of Notre Dame and his MBA from DePaul University.

### ***Michael S. Felvey, Founder and Principal***

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Mike Felvey focuses on CMA investment origination, transaction structuring and execution, and assists portfolio companies with business plan development and growth strategies. Sharing overall Firm management with Chuck and Paul, Mike is responsible for fundraising and CMA Capital Partner/investor relations. Currently a Director on all CMA portfolio company boards, Mr. Felvey serves as the Chairman of ABP Induction and American Roller, including two subsidiaries based in Shanghai: both wholly foreign-owned enterprises incorporated in the PRC.

Since 1982, Mr. Felvey has worked exclusively with middle market companies within a broad spectrum of industry; preferring the manufacturing of highly engineered industrial products. Before founding CMA, Mr. Felvey successfully managed and led private equity investments at Heico Acquisitions, leveraged acquisitions at Bank of America (formerly Continental Bank) and consulted to emerging and troubled middle market businesses at PricewaterhouseCoopers.

Mr. Felvey received his BS in Accountancy from Illinois State University and is a non-practicing CPA.

### ***Paul F. Decker, Principal***

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Paul Decker leads the CMA induction equipment and services investment platform consisting of ABP Induction and its subsidiaries, now operating in eleven countries. Mr. Decker's committed support of the ABP President and executive management team has been integral to the success of the company to date and his continuing contribution positions ABP for long term superior performance. Paul shares management of the Firm with Mike and Chuck and advises on matters of strategy and process improvement at the portfolio companies.

Prior to joining CMA in 2005, Mr. Decker managed and consulted to middle market manufacturing businesses ranging in sales from \$2 million to \$100 million. Previously, he was CEO/President of Cobotics, Inc. a venture backed start-up in the field of robots used in the final assembly of autos that was sold to Stanley Works and for MST Analytics, a semiconductor related capital equipment business sold to ATMI, Inc. Prior to ATMI, he sold a turbine blade servicing business he founded after having managed the engineering and production of a Tier 1 supplier to the aerospace, medical and automotive industries.

Mr. Decker received his BS in Mechanical Engineering from the University of Michigan and his MBA from Northwestern University (Kellogg).

### ***Dorothy S. King, Managing Director***

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Dorothy King focuses on CMA investment origination, transaction structuring and execution, development of investment strategy and investor relations, while collaborating with her colleagues to support key initiatives at the portfolio companies.

Ms. King has 10 years of experience investing subordinated debt and equity as a Managing Director at Midwest Mezzanine Funds. She sourced, led and managed investments of \$2 million to \$10 million, primarily in middle market manufacturing companies. Prior to her work with Midwest Mezzanine Funds, Ms. King worked with a special purpose economic development fund in Chicago. Ms. King has also advised both debtors and creditors as Manager in the Reorganization and Insolvency Division of Ernst & Young.

Ms. King received her BS in Accountancy from University of Illinois and her MBA from Harvard Graduate School of Business. She is a non-practicing CPA.

## **OPERATING PARTNERS**

### ***Chris S. Basoukeas, Managing Director***

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Chris Basoukeas focuses on identification of growth strategies and opportunities for operations improvement at CMA companies and prospective investments. Mr. Basoukeas' industry knowledge and experience in manufacturing, concentrating on supply chain management (including production planning, inventory management, negotiating supplier partnerships and implementing manufacturing performance metrics) are areas where his contribution enhances business value.

Prior to joining CMA, Mr. Basoukeas spent sixteen years owning and managing an independent consulting firm. He worked with a wide range of businesses, from the Fortune 500 to middle market sized clients, providing cost savings and increased efficiency in many industries, including chemicals, warehousing, industrial supply, heat-treating, consumer products, glass-making, nutritional supplements, and food & beverage. Mr. Basoukeas helped develop the external market business segment of Grainger Consulting Services (a division of W.W. Grainger, Inc.), where he was responsible for developing a consulting business infrastructure. At Coopers & Lybrand Consulting, he developed strategies for improving supply chain performance for numerous consumer and industrial product companies. Beginning his career at Procter & Gamble, Mr. Basoukeas had plant leadership positions in both Folgers Coffee and Paper Products Divisions.

Mr. Basoukeas earned his BS in Chemical Engineering from Michigan Technological University.

### ***Raja M. Parvez, Managing Director***

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Raja Parvez focuses on identification of growth strategy investments and opportunities in select technology sectors, including advanced materials, energy, opto-electronics and solid-state lighting industries. Mr. Parvez is an innovative and results-driven global CEO with a deep technical background and comprehensive understanding of business and cultural practices in the Pacific Rim, Eastern Europe, Russia, Mexico and Israel. He has thirty years of experience in leading and cultivating new products, processes and customer relations while building partnerships with global corporations.

Previous to joining CMA, Mr. Parvez was CEO and President of Rubicon Technology, Inc. (Nasdaq: RBCN), a sapphire crystal growth manufacturer, where he led a successful hands-on turnaround from significant operating losses with negative gross margins when recruited in, to sustained profitability and a successful IPO at ~\$300MM enterprise value in 18 months. As President and Board Member of Optigain, Inc., a manufacturer of fiber amplifiers for communications systems, Mr. Parvez spearheaded operational and strategic initiatives leading to a five-fold increase in revenues and establishment of joint North American Product Realization Center for Furukawa Electric and Optigain. The company was acquired by Furukawa, a Japanese public company.

Mr. Parvez, as COO at CyOptics, Inc. a R&D start-up located in Israel, established the infrastructure to manufacture robust optical chip components. He collaborated with others on successful rounds of venture financing, key strategic acquisitions that eventually resulted in a sale to Avago Technologies, Inc. (NASDAQ: AVGO). Mr. Parvez spent sixteen years at Bell Laboratories, most recently as Consulting Member and Distinguished Member of Technical Staff.

Mr. Parvez is a board director for Xerion Advanced Battery Corp., a developer of lithium-ion batteries and serves as an advisory board member at SiNode Systems, Inc. (a developer of silicon-graphene batteries), Shasta Crystals, Inc. (a manufacturer of optical fiber lasers) and MVPIndex, Inc. (social media analytics).

Mr. Parvez earned his BS in Mechanical Engineering from the University of Peshawar and MSs in Management Science and Industrial Engineering, both from New York University.

## CMA CAPITAL PARTNERS

The source of funding and equity capital for CM Acquisitions, is an investor group consisting of high-net-worth entrepreneurs and family offices. Collectively, our investors' net worth exceeds \$2 billion, however their greatest contribution to CM Acquisitions is their successful career experiences, contacts and investment acumen.

CMA Capital Partners is a primary source of advice and counsel on all business matters and in certain cases may provide "hands-on" assistance when called upon to support strategic initiatives of CM Acquisitions' portfolio companies. CMA-company boards will access CMA Capital Partners for director candidates, matching successful industry experience in critical sectors to each portfolio company's investment strategy.

In-depth industry experience resident within CMA Capital Partners is consistent with the industry focus and investment criteria of CM Acquisitions. Additionally, our partners' management and investment career experiences augment the Principals' with expertise in the following fields of interest:

- International Business
- Information Technology and Systems Integration
- Logistics, Supply-Chain
- Real Estate and Construction
- Mezzanine Finance, ESOP's, Retail Finance and Leasing
- Healthcare Services and Medical Devices
- Consumer Products
- Legal, Accounting, Investment Banking and Venture Capital

Most importantly, the executives in CMA Capital Partners have successfully led their businesses and created significant long-term capital gains for shareholders. CM Acquisitions believes successful entrepreneurs are the best mentors for the leaders of middle market manufacturers today and in the future.

## PORTFOLIO COMPANIES



**The American Roller Company**, headquartered in Union Grove, Wisconsin, is the leading U.S. provider of industrial rollers to the metals, converting, pulp and paper, nonwovens/textiles, graphic arts, and business machine markets.

CMA acquired controlling interest in American Roller in 2001, providing a solution for a second generation, family-owned business confronting estate-planning issues. CMA found the business attractive for investment due to:

- ARC's market leading position in the outsourced maintenance services sector supplying industrial rollers to web-process manufacturers of thin-gauge metals, plastic film and paper
- Superior technology within its markets (e.g. proprietary heated roller – Thermalon)
- Solid fundamentals – diversity of customer and industry base, talented personnel employing technical expertise in delivering a consumable product, longstanding loyal customers which are world-class leaders in their respective fields

Add-on investment criteria:

- Proven products/processes, well-positioned in markets and/or key customers due to competitive advantages
- Technically engineered products or maintenance services for industrial plants
- Strong management desired, not required
- Revenue in excess of \$5 million and located in North America
- Good technology and reputation for quality service
- Preferences:  
Businesses serving the converting, metals and paper industries  
Thermal-sprayed industrial coatings, in-plant or out  
Capability of handling large rollers or products

2003 Add-On Investment: American Roller acquired Champion Roller based in Rock Hill, South Carolina for the purpose of increasing the companies' position in the southeastern United States. Champion contributed in-house core manufacturing capability and larger roll capacity while adding bowed and chilled rolls to the existing ARC line consisting of synthetic rubber, polyurethane, ceramic and metal matrix coatings, nylon, heated rollers, steel and composite cores and shafts for the converting, metals processing, office machine, graphic arts, pulp and paper and non-woven markets.

**Plasma Coatings, Inc.** (Middlebury, CT) in the previous four decades has developed a leading brand name in providing custom coatings to the converting, paper and rubber industries. Plasma's service enhances the surface properties of production equipment (e.g. drums, rollers, guide plates, vats) where controlling resistance and abuse will provide better performance. Plasma also provides on-site coating of extremely large rolls/equipment at customers' locations in the US and licenses its coating formulas internationally.



CMA and the American Roller Company acquired controlling interest in Plasma Coatings in 2003, providing a liquidity event for three retiring shareholders, while co-investing with the Company President to forge a plan for long term growth. CMA found the business attractive for investment due to superior fundamentals:

- Leader within its market niche, possessing recognized brand name for high quality products and service and aligning with the American Roller Company long term business strategy
- Technical expertise in processing and new product development
- Strong, loyal relationships within blue-chip customer base
- 25+ year unbroken chain of profitability and steady revenue growth

Add-on investment criteria:

- Proven products/processes, well-positioned in markets and/or key customers due to competitive technology and reputation for quality service
- Serves key industries (converting, metals, paper, chemical, food and pharmaceutical) with higher value-added products
- High cross-selling potential for both coatings and rollers
- Strong management desired, not required
- Revenue in excess of \$2 million and located in North America
- Operating capacity sufficient to handle larger, heavier rollers utilized by the industries of interest

Preferences:

- Businesses serving the converting, metals and paper industries  
Thermal-sprayed industrial coatings, in-plant or out  
Capability of handling large rollers or products

CMA acquired controlling interest in **Pillar Induction Co.** in 2003, providing a solution for a retiring entrepreneur confronting estate-planning issues and requiring liquidity to recapitalize a family-investment holding company. Pillar manufactured custom-engineered, induction melting and heat-treating equipment. CMA found the business attractive for investment due to:

- Characteristics fitting CMA's target criteria: capital goods manufacturer with a substantial parts and service component, proprietary electrical engineering technology, impressive customer base and longstanding relationships
- CMA and the new board of directors provided a leadership solution filling the void resulting from the founding owner's retirement
- The world-class, ISO-certified plant facility in the US and the wholly-owned subsidiary in Shanghai, China positioned Pillar for long term revenue growth
- Committed, industry-experienced personnel passionate about maintaining the Pillar heritage of bringing advanced power electronics to its customers desiring to use induction technology to their competitive advantage

CMA merged the Pillar and ABP Induction operations in January, 2008. Combined under the ABP Induction name, the two companies formed a highly competitive global business with meaningful share in all key industrial markets.

2011 Divestiture: Effective January 1, ABP sold its U.S. Heating Division assets consisting of the two plant locations in Brookfield, WI and Sterling Heights, MI and the intangible assets associated with the Pillar brand products. The ABP US Melting Division and all ABP international operations remain unaffected by the divestiture, a positive strategic transaction for both ABP investors and the buyer, a subsidiary of Park-Ohio (NASDAQ: PKOH).

**ABP Induction Systems GmbH (ABP)**, located in Dortmund, Germany (formerly ABB Foundry Systems) has for decades been the world's leading manufacturer of high-throughput induction melting, pouring and heating equipment. This leadership position results from the combination of three industry pioneers: Asea, which built the first channel induction furnace in 1903, Brown Boveri (BBC), which in 1929 established its furnace business in Dortmund, and Pillar having introduced the first transistorized induction power supply. Today, ABP continues the heritage of the original businesses which began over 100 years ago, providing a competitive edge to its customers around the globe with highly-reliable, state-of-the-art technology.

CMA acquired controlling interest in ABP in 2005, providing a solution for an \$18 billion annual revenue public company seeking to divest a non-strategic business unit. CMA found the business attractive for investment due to:

- Characteristics fitting CMA's target criteria: capital goods manufacturer with an aftermarket parts and service component, proprietary electrical engineering technology, impressive customer base and longstanding relationships, #1 or #2 position in key markets
- CMA was uniquely qualified to establish ABP as an autonomous company in five countries (Germany, Sweden, Brazil, Thailand and the USA), replacing necessary corporate support services while enabling senior management to focus on running the business with a liberating sense of entrepreneurship
- Strategic alignment with CMA's Pillar investment was substantial. Combined, the ABP/Pillar induction businesses reached all key international markets
- Committed, industry-experienced personnel passionate about maintaining the ABP heritage of bringing advanced technology and superior service to a global marketplace

Add-on investment criteria:

- Market proven engineered products, well-positioned in regional or niche markets and/or key accounts due to demonstrable competitive advantages
- Coil-repair services
- Strong management desired, not required
- Revenue exceeding \$2 million, located in key casting and forging markets

Preferences:

- Aftermarket service operation with outstanding reputation
- Cross-selling equipment/service potential

2006 Add-On Investment: – ABP Induction acquired the Pillar-related aftermarket parts and service business of Engefor Eletronica, based in Sao Paulo, Brazil to better serve South

American markets. Engefor has enjoyed a well earned reputation for superior service and quality manufacturing of Pillar melting systems. The Engefor transaction contributed engineering, sales and technical service talent while substantially increasing the installed base of equipment requiring periodic service. The Brazil market is a strategic priority of ABP as further evidenced by the new plant constructed in Atibaia which houses all sales, engineering, manufacturing and service functions. 2007 Add-On Investment: – ABP Induction Systems Pvt Ltd was formed in India to service this robust melting market with aftermarket services, systems sales and engineering support. Manufacturing operations began within a new plant facility constructed on the outskirts of Vadodara in 2008.

2008 Pillar Merger: – CMA formally combined their two induction company investments after successfully establishing ABP as an autonomous independent company in all growth markets around the world. ABP is positioned to serve its customers in both the mature economies of North America and Western Europe and the developing growth markets in Asia and South America.

2011 Divestiture: – Effective January 1, ABP sold its U.S. Heating Division assets consisting of the two plant locations in Brookfield, WI and Sterling Heights, MI and the intangible assets associated with the Pillar brand products. The ABP US Melting Division and all ABP international operations remain unaffected by the divestiture, a positive strategic transaction for both ABP investors and the buyer, a subsidiary of Park-Ohio (NASDAQ: PKOH).

**Prestress Engineering Company**, headquartered in Prairie Grove, IL, is the leading Illinois source of prestressed concrete bridge beams, sound wall, and retaining walls for the transportation infrastructure market. PEC is also an award winning source for precast structural/architectural concrete products for multi-family housing.

CMA acquired controlling interest in PEC forming a partnership with its previous owner and President for the purpose of growing a substantial transportation infrastructure materials business. CMA invested funds sufficient to assist in the estate planning objective of the owner while providing acquisition capital to purchase businesses that strategically align with PEC. CMA found the business attractive for investment due to:

- Characteristics fitting CMA's target criteria: quality manufacturer with unique production capacity profitably serving the top tier general contractors in the Midwestern U.S. for over 25 years
- #1 Marketshare within a substantial territory of bridges deemed to be structurally deficient or functionally obsolete, whether spanning roads, water or rail
- Committed, industry experienced personnel having earned the trust to deliver certified products on time for both the smaller job and the most substantial and complex project
- Partnering with an industry veteran, recognized as a leader in the field within a territory known to be the U.S. transportation hub

Exited Investment, September 2013:

PEC was sold to a private strategic buyer seeking to expand its market share in Illinois.





## SELECT REFERENCES

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