

ALPHA OMEGA CAPITAL PARTNERS

Professional Business Intermediaries
&
Investment Bankers

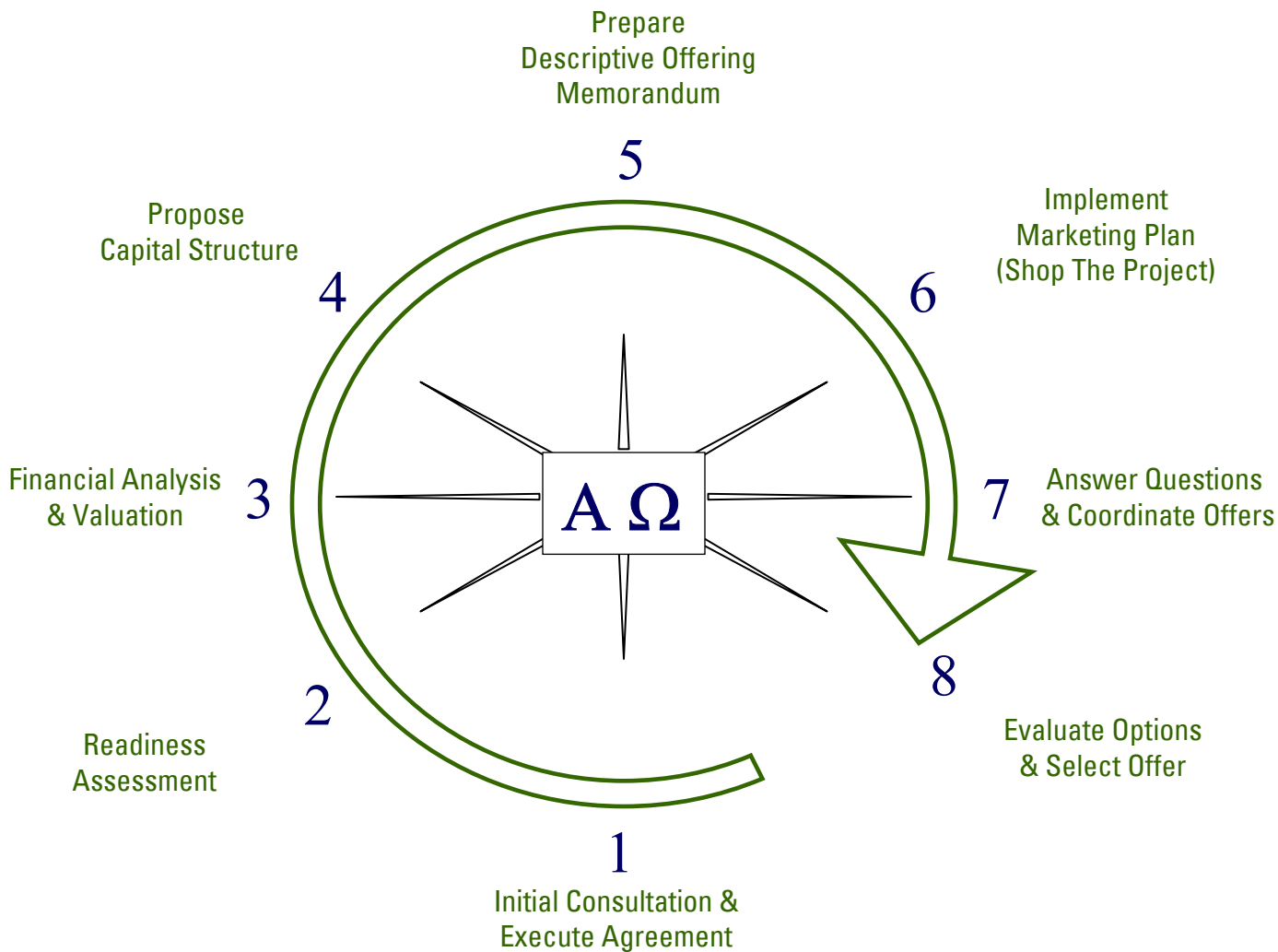


Raising Debt and Equity Capital
Tailored To Businesses With Sales Less Than \$50 Million Annually

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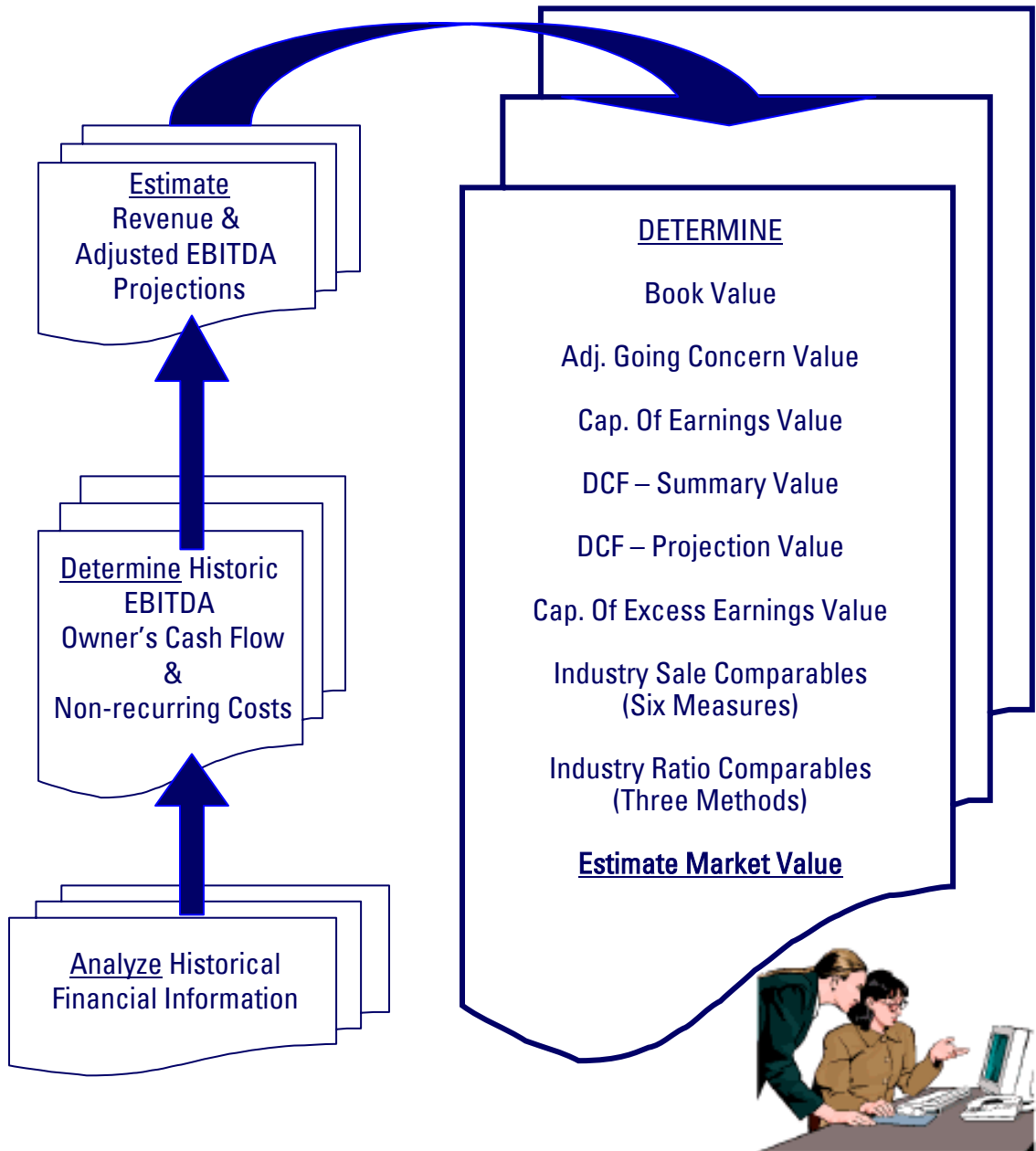
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We Manage The Capital Raising Process While You Run Your Business



ALPHA OMEGA CAPITAL PARTNERS

We Use Sophisticated Financial Analysis To Accurately Determine The Market Value and Borrowing Capacity of The Business



ALPHA OMEGA CAPITAL PARTNERS

Our Offering Memos Give The Financial Community Enough Information To Make A Confident Decision

This Lowers Perceived Risk & Translates to Value

Why such a detailed Descriptive Offering Memorandum?

Just as a Public Company educates investors with a professionally prepared Annual Report, we educate the financial community through preparation of a professional Descriptive Offering Memorandum.

We will not parade a string of bankers or investors through your company wasting your time, challenging confidentiality, & disrupting your organization so they can qualify your company.

Our Offering Memos are accurate, concise, and informative with the objective of answering all the questions that a banker or investor may have prior to visiting your company.

To obtain maximum leverage for your transaction, we MUST solicit and earn the trust and confidence of the financial community.

A detailed and accurate representation of your business is critical to obtaining maximum loan or investment value in a timely manner with a minimum of disruption to your daily activities.

There is no substitute for good information.

When working with Alpha Omega Capital Partners,

You focus on running your business,

We focus on financing your business.

ALPHA OMEGA CAPITAL PARTNERS

Our Offering Memorandums Are Descriptive And Detail Oriented

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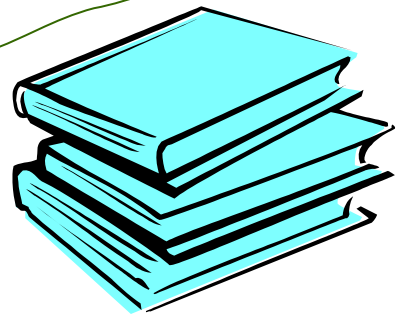
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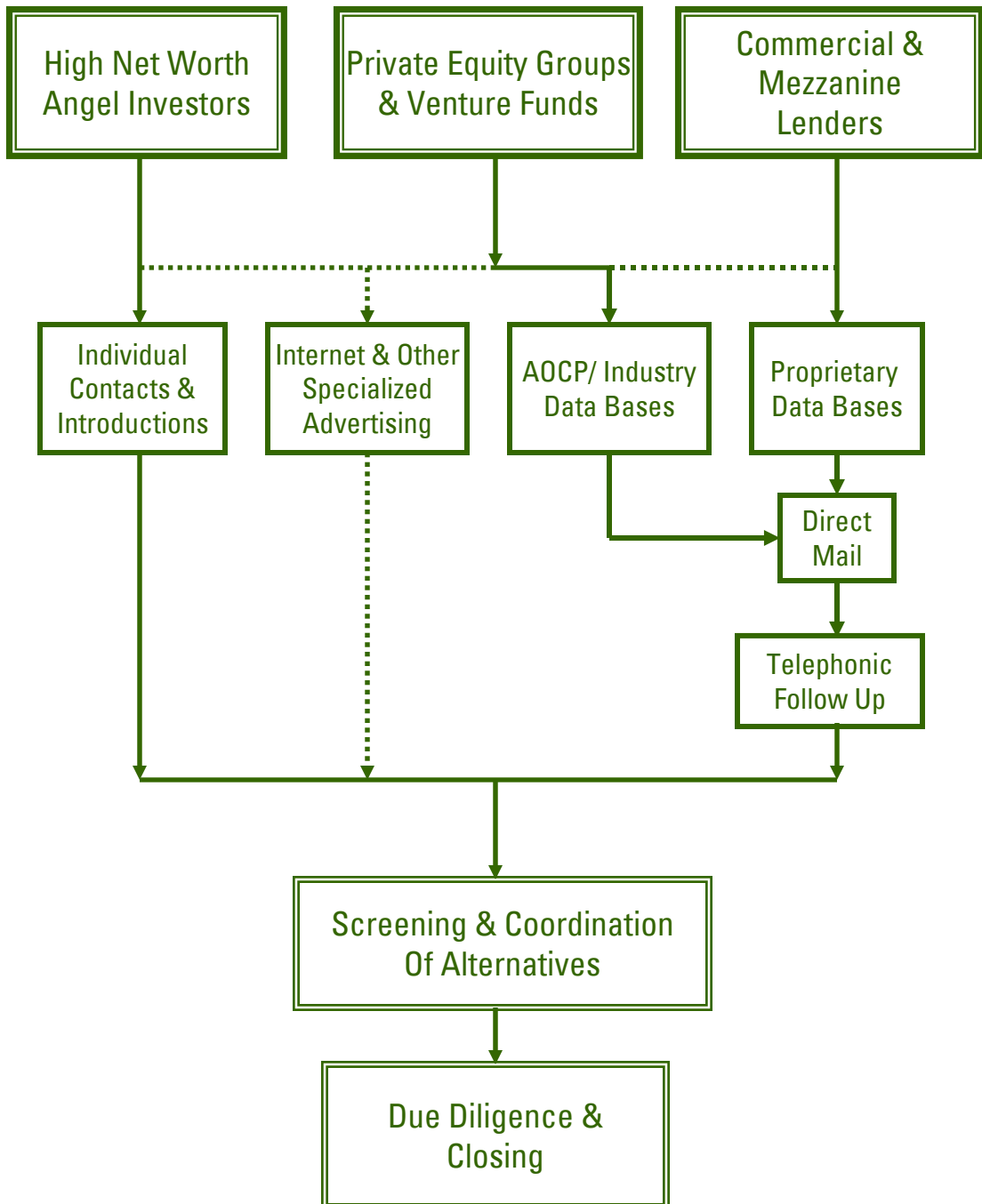


We Tailor Our Approach To The Most Logical Source of Capital

Yes, there are different sources of capital with different objectives.

- 1) **Institutional Lenders** are commercial banks and asset based lenders that offer the lowest cost of money but have the most conservative lending standards. Interest rates are typically floating and based on a Prime Rate or LIBOR. Having a low cost, this form of capital is preferred when it is available. Unfortunately it is usually limited by collateral, cash flow, leverage, and advance rates.
- 2) **Mezzanine or Sub-Debt Lenders** make loans that rely on the cash flow and enterprise value of companies. These lenders leverage the cash flow beyond what an institutional lender will do and charge a high interest rate that is fixed. They usually have a junior or unsecured lien position on the assets and demand a small equity position. These lenders have a cost of capital that is higher than institutional loans, but less than equity. All-in costs typically range from 20% to 35%, depending on size.
- 3) **Equity Investors** consist of Private Equity Groups (PEGs) and Venture Capital (VCs) Funds. PEGs usually purchase controlling interest in later stage or more mature companies with at least \$10 million in revenues. They often work with existing management teams while others use their own management teams. VCs usually invest in young, fast growing companies by purchasing a minority equity interest. Both PEGs and VCs tend to specialize in certain industries where they can realize very high investment returns of at least 40% in 3 to 7 years. Both are funded by pension funds, foundations, wealthy individuals and corporations, and generally seek to invest at least \$5 million into a company.
- 4) **Angels** are wealthy individuals seeking to invest from \$100,000 to \$5,000,000 in local companies that will generate returns of 40% or higher. Angels have very diverse backgrounds and can help or hinder a company in which they invest. They are often successful entrepreneurs who want to help other entrepreneurs.

Implementing the Marketing Plan



Our Approach Gets Results

Why Does It Take So Long?

We plan each step of the process precisely and thoughtfully.

Using our contact/project management software, we generate a monthly report for the Client defining where we are in the process, who we have talked with and a full history of contacts for the period including summaries of conversations, emails, and correspondence. *You are totally informed.*

The process will take no less than 90 days and generally, no longer than 180 days from execution of the agreement to closing. This obviously depends on the how fast the Client responds to our initial request for information and upon interest in the business by the market.

Although preparation of an in-depth Offering Memorandum requires time at the beginning of the process, our thorough market research and attention to detail reduces the overall project time by dramatically minimizing time spent with financial community meetings, due diligence, and preparation of the loan application package. Confidentiality is secured by thoroughly presenting information to eliminate the need for excess correspondence and on-site inspections.

When financed by an institutional lender, the process is generally completed within 90 days or less. If we have to raise additional capital from Mezzanine Lenders, Private Equity Groups, Venture Firms, or Angel Investors, it will take longer to find the best alternative.

It must be understood that financial arrangements take time: attorneys, accountants and financial institutions can delay the process. Transactions guaranteed by the SBA can take marginally longer to close than conventional financing.

COMPLETED DEBT/EQUITY TRANSACTIONS

Company Name	Company Type	Transaction Type	Company Location
American Family Fitness	Personal Service	Capital Raise	Richmond, VA
Capitol Broadband	Telecommunications	Capital Raise	Cary, NC
Delta Distribution	Wholesale Distribution	Debt Financing	Richmond, VA
Intelogistics	Telecommunications	Debt Financing	Palm Beach, FL
JMC Tool & Machine	Manufacturing	Debt Financing	Cary, NC
Karbon Systems	Information Technology	Capital Raise	Newport News, VA
Pro-Construction Services	Construction	Recapitalization	Richmond, VA
Royal Bakery	Commercial Bakery	Debt Financing	Richmond, VA
RxEOB	Healthcare Services	Capital Raise	Richmond, VA
Saxon Shoes	Retail	Strategic Analysis	Richmond, VA
The Castleton Group		Capital Raise	Raleigh, NC
Richmond Fitness	Fitness Centers	Debt Placement	Richmond, VA
Sanger's Quality Roofing	Roofing Construction	Debt Restructuring	Richmond, VA
Special Interest, Inc.	Custom Outdoor Building Manufacturer	Financial Consulting	Richmond, VA
The McGraw Group	Industrial Distributor	Recapitalization	Richmond, VA

Our Partners & Key Associates

ANTHONY M. VINCENT, PRESIDENT

Prior to founding AOP, Mr. Vincent was President of the Industrial Filtration Division of American Filtrona Corporation. When the \$45 million division was sold in 1994, Mr. Vincent served as Corporate Vice President of Business Development, where he coordinated the mergers, acquisitions, and divestitures of various manufacturing companies, both domestic and abroad. He has in-depth technical knowledge of manufacturing processes with over 30 years of experience in Printing, Metal Working, Filtration, Plastics, and Fiber Processing. Anthony has extensive knowledge in private business valuations and belongs to a number of professional organizations. He earned Industrial Engineering & Business Degrees from the University of Maryland and an MBA from Loyola College.

GEORGE W. SYDNOR, JR., MANAGING PARTNER

"Sage" was CEO of The McGraw Group, an industrial distribution company, for 20 years. He grew the company from \$23 million to \$65 million in sales when he sold it in 1998. He then served as Vice Chairman of the board where he headed business development, completing acquisitions and further growing the business to over \$100 million in sales before joining Alpha Omega. Mr. Sydnor has an extensive knowledge of the distribution industry, having served as Chairman of the Board of Directors for both the National Association of Wholesaler-Distributors (1993-94) and the Industrial Distribution Association (1977-78.) Sage earned a Civil Engineering Degree from the Virginia Military Institute and received his MBA from the University of Virginia Darden School of Business.

ROBERT P. LOUTHAN, MANAGING PARTNER

"Bob" was co-founder of Stony Point Capital Partners and is experienced in venture capital, private equity, M&A and IPO activities. He was VP of Waterside Capital where he increased the size and number of portfolio companies; and helped take Waterside public in 1998. As VP of Virginia Capital, Bob focused on developing new business and managing portfolio investments. Bob served in operations and manufacturing management positions with International Paper and American Filtrona Corporation. Bob earned a Civil Engineering Degree from the Virginia Military Institute and received his MBA from the University of Virginia Darden School of Business.

ROBERT H. MITCHELL, MANAGING PARTNER

"Rob" was co-founder of Stony Point Capital Partners and is experienced in capital raises, M&A and advisory activities. Rob brings 17 years of experience as the Managing Director of Centura Capital, VP of Emergent Equity Advisors, VP of Carolina First Bank and a predecessor bank of Bank of America. Through these activities, he invested in over 3 dozen companies and venture funds, served on numerous boards, and worked closely with the CEOs of hundreds of companies. Rob served in the US Navy retiring as a Captain from the reserves in 2003. Rob earned his BA from Kenyon College and received his MBA from the University of Virginia Darden School of Business.

KASRA HEDAYATNIA, ANALYST

Mr. Hedayatnia has evaluated numerous middle market companies as an investment banking analyst and as a business broker. Kasra has a strong engineering background; he previously worked as a systems engineer for a defense contractor and as a process engineer at a semiconductor manufacturing lab. He earned Electrical Engineering and MBA Degrees from Virginia Commonwealth University.

LESLIE DELCAMBRE, ANALYST

Ms. Delcambre has a strong academic background. She earned BS in Management (Finance) and MBA degrees with honors from Tulane University where she was selected by the faculty for two prestigious honors programs. Leslie also worked as an intern at Merrill Lynch.

LARRY MILLER, REALTOR

Mr. Miller is licensed in Virginia, North Carolina, South Carolina and Georgia. As Director of Real Estate for PJ America, Inc. he negotiated deals for over 50 Papa John's™ Pizza locations. Larry has represented Fortune 500 companies including Bank America, Chrysler, Ford, and General Motors and various other nation-wide retail chains in the site selection, leasing, and purchase processes.

JAMIE HOLDER, OFFICE & SYSTEMS ADMINISTRATOR

Mr. Holder has years of experience in administrative management, purchasing, inventory control, shipping and logistics. Jamie has completed certification training for network administration and is an accomplished systems administrator.

REFERENCES FOR THE FIRM: DUNS # 13-238-5241

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Harold Lester, Retired Owner
Entry-Guard Systems, Inc.
Richmond, VA
804-674-4917

Ron Horn, President/Past Owner
Performance Group, Inc.
Fredericksburg, VA
540-663-9000

Billy Stone, Retired Owner
Transmission Products, Inc.
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804-355-8041

Brett Boyce, COO/Past Owner
Mid-State Electric Motors, Inc.
Washington, VA
540-987-9032

Bill McSpadden, Retired Owner
Pacific Beverage (Chai)
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Michael Self
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Scott Clark, COO/Past Owner
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Buy-Side Clients

Douglas Kinney, President
D&B Industrial Group
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410-295-9373

ENGAGEMENT TERMS:

Engagement Agreement

Twelve month engagement for exclusive representation.

Retainer & Valuation

Calculated as 0.25% of annual sales or \$5,000, whichever is greater, but shall not exceed \$15,000. The retainer will be credited back toward the commission.

Commission

2.0% Bank Debt

3.5% Sub-Debt (Mezzanine Financing)

5.0% Equity

\$75,000 minimum commission on Sub-Debt and Equity financing engagements.

Expenses

All out of state travel reimbursed.

DOCUMENTS NEEDED For Offering Memorandum

1. Ownership Structure

Name	Age	Number of Shares

2. Corporate Structure

circle one: S-Corp, C-Corp, LLC, Partnership, Proprietorship

3. Company History

4. Company Strengths

5. Available Industry Information

6. Products: Literature, Photographs, Advertisements, Brochures, Articles

7. Sales Breakdown

- a) Three-year breakdown by Product Type, Geographic Area
- b) Three-year breakdown by Customer

8. Marketing

- a) Route to Market (how do you get business?)
- b) Advertising (examples)
- c) Summary of Competitors

9. Personnel:

- a) Benefits Summary: Health Insurance, pension and/or profit sharing plans
- b) Summary of Management: brief resume for each member of the management team
- c) Chart of Employees:
- d) Organization Chart

Name	Position	Pay Rate	Date Employed	Birth Date

DOCUMENTS NEEDED TO LIST (CONT.)

10. Operations:

- a) Quality Program (if applicable)
- b) Insurance Chart (copy of insurance policies)
- c) Intellectual Property:
 - Patents, Trademarks, Proprietary Software, etc (year, description)
- d) Facilities Summary:
 - i. Size
 - ii. Type Construction
 - iii. Copy of Lease
 - iv. Taxes
- e) Environmental, Health & Safety Programs (if applicable)

11. Financial

- a) Corporate Tax Returns for three years
- b) Balance Sheet History for three years
- c) Debt Schedule
- d) Asset List: (depreciation schedule on and off the books)
- e) Income Statements for three years (five better)
- f) Year to date financial statements
- g) Three-Year Sales Forecast

12. Photographs: Products, Facilities, Equipment, etc



ALPHA OMEGA

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