

Technology Leadership Forum

November 9, 2006

8:00 a.m. – 5:00 p.m.

www.rockymountaintechnology.org

PE Funding Panel: Paladin Capital & Alerion Capital

1:30 – 4:00 P.M.

Presenter Criteria & Presentation Format



Forum Description

Target Audience:

Technology and thought leaders from the region's business sector, universities, government commands/agencies, national laboratories, and professional organizations dedicated to the development and commercialization of technology throughout the corridor.

Purpose:

Converge information regarding requirements, trends and opportunities throughout the region by connecting key leaders in a collaborative environment to foster technology growth, encourage business partnering and promote regional economic development.

Private Equity (PE) Funding Panel Description: Paladin Capital Group and Alerion Capital Group

Pre-selected regional technology-related middle market companies will present their businesses to a distinguished panel of private equity firms seeking to invest in growth opportunities. This session will be held from 1:30 p.m. to 4:00 p.m. Presenters should plan to attend the full two and a half hours, with a networking session afterwards.

PE Panelists: Michael J. Moniz, Paladin Capital Group; Rick DeAvila, Managing Director of Alerion Capital

Moderator: Loren Lancaster, Core Capital Group

Paladin Capital Group and Alerion Capital Group: About the Companies

About Paladin Capital Group:

- Paladin is an established, multi-stage private equity firm that invests in growing companies through acquisitions and expansion capital.
- Headquartered in Washington D.C., with offices in New York City, NY and Atlanta, GA, Paladin has approximately half a billion dollars under management across two distinct funds.
- Paladin established its first fund in 2001 and launched the \$235M Homeland Security Fund in 2004.
- The firm's leadership is comprised of professionals with a proven track record of financial expertise, national security experience and specialized technical competence.
- Collectively, Paladin's professionals have completed over 100 direct and co-investments in a wide range of industries.
- Paladin is focused on being an active investor and bringing value-added advice, access and relationships to its portfolio companies.

About Paladin Homeland Security Fund

Paladin's Homeland Security Fund is a multi-stage private equity fund with an expansion stage investment focus on enterprises whose principal business centers on toughening a country's critical infrastructure. Paladin's unique value-add strategy is focused on proactive value-add advice, access and relationships to its portfolio companies.

See PaladinCapGroup.com for additional information.

About Alerion Capital Group:

Alerion Capital Group is a merchant banking organization with a private equity focus. Alerion's mission is to leverage the experience of their people and the application of capital to elevate the performance of our portfolio companies.

Alerion believes that planning is key to a successful long-term investment. Alerion assists management teams in developing strategic plans necessary to achieve higher levels of success. Once a plan is developed, they also assist in creating the tools necessary for implementation. Alerion assumes on-going mentoring relationships with management, providing advice and assistance throughout the duration of an investment. Alerion also furnishes on-going capital for expansion, including strategic acquisitions.

See AlerCap.com for more information.

Industry and Business Criteria for Presenters

Paladin Homeland Security Fund

Primary industry areas of focus:

The fund looks across many industries for companies with existing solutions capable of having an immediate impact on preventing, defending, coping and/or recovering from threats to the nation's critical infrastructure and to homeland security. While the fund's area of interest include span across various segments of the economy, all are a tied by a common connection to toughening the various elements of the country's critical infrastructure, such as:

- Mesh Networks
- IT Services
- Data Storage
- Business Process Software
- Network Management software
- Detection
- Biometrics
- Search Software
- Electronic/Network Hardware
- Alternative Energy & Clean Energy Technologies
- Network Security
- Communications Interoperability & Reconstruction
- Biological/Chemical/Radiological Remediation
- Protective Equipment
- Asset Tracking & Container Security

Characteristics of presenting companies:

- Proven Technology w/Commercial & Government Application (Dual Use)
- Strong Team; Industry Relevant; Proven Record
- High Growth with Meaningful Market Opportunities
- Relevant Board and Customers
- Potential for Industry Leadership/Top Tier Status
- Multi-stage/Expansion Capital Focus
- Clear Exit Strategy

How Paladin works with entrepreneurs:

- Paladin typically seeks to make investments between \$5 and \$25 million.

Alerion Capital Group

Primary industry areas of focus:

Alerion seeks investments in successful companies that provide a variety of engineered and proprietary products and business services in commercial and industrial markets. Although not limited to specific SIC Codes, Alerion has selected industries reflecting the primary operating and acquisition backgrounds of the Alerion team:

- Industrial Machinery & Equipment
- Electronic & Other Electric Equipment
- Instruments & Related Products
- Wholesale Trade – Durable Goods
- Business Services
- Information Technology

Characteristics of presenting companies:

- Annual revenues ranging from \$10 to \$75 million
- Minimum potential EBITDA of \$3.0 million
- Experienced management team
- Strong market position
- Significant potential for long-term growth
- Well-defined market niche
- Proprietary products and/or services
- Franchise insulation and top-tier market share

How Alerion works with entrepreneurs:

- Alerion works with the following transaction types:
 - Recapitalizations
 - Management-led buyouts
 - Leveraged buyouts
 - Divestitures
 - Privatizations
 - Growth capital
- Alerion typically takes a position of voting control in their investments
- Alerion will consider holding significant minority equity positions.

Forum Speaker Power Point Presentation Guidelines

A sample outline of the twenty-minute presentation is shown below. Please ensure that your presentation meets the spirit of this outline and that your talk is 20 minutes in length or less.

1. Introduction to the Company
 - a. Company name
 - b. Brief Company history
 - c. Headquarter location
 - d. Number and type of employees
 - e. History of any significant investment in the Company
2. Description of Product and/or Service
 - a. Attributes (problem addressed, stage of development, test market response)
 - b. Unique value proposition (cheaper, better, faster).
 - c. Special product/service rights (IP, Patents, Trademarks, etc)
3. Markets Served
 - a. Market research (size, growth, key dynamics, fraction served)
 - b. Competition (who, how many, attributes, differences)
 - c. Marketing Strategy (differentiation, positioning, branding)
4. Sales Approach
 - a. Customer types and contact points
 - b. Geographic regions served
 - c. Sales team (size, activity)
 - d. Sales funnel numbers (closures/year and cost/sale)
5. Brief Bio on the Mgt. Team
6. Strategic Challenges before the Company Today
 - a. Sales, Marketing, Development, Capital, Hiring, Legal, etc.
 - b. Growth opportunities, ideas