



Letter to our Clients, Friends, and Staff:

I know you receive tons of newsletters and New Year e-mails, so I worked hard to make this an easy read. However, given the success we had in 2010, I felt compelled to convey everything that our incredibly hard-working team accomplished as well as what we expect to achieve in 2011.

Last year provided the opportunity for many businesses to rebound while others found themselves as lone “survivors” of the economic crisis. 2010 was mainly a stabilizing year for most and not quite the rebound many expected, but as a whole the lower end of the middle market appears to now comprise a solid foundation of businesses poised for growth. We are proud to say that our firm was not only successful in 2010, but we played a vital role in the economic improvement by helping businesses weather the storm and by facilitating the flow of capital.

During 2010, LCG significantly improved its reach and impact in the market by working with financial institutions and businesses. Overall, revenues were up 40% above 2009, a dramatic improvement when comparing our year-over-year increase of 24% from 2008. We attribute the growth to our strong client focus, the addition of high-caliber professionals, and high-quality training and development of our junior associates.

Our unique business model, along with our strong professional and family-oriented culture, has continued to allow us to provide significant value to our clients, despite the economic conditions. We’ve always remained focused on providing tools and resources to lenders and investors, allowing them to efficiently make sound financial decisions, while also making our expertise available to businesses that depend on the capital markets for their success. The breadth of our expertise has increased over the years to include due diligence, valuations, capital raising, restructuring, and mergers and acquisitions.

I’ve highlighted below some noteworthy figures and stats from 2010. However, before you read on please allow me to extend my sincere gratitude to all of you who have kept us in mind and helped spread the word about LCG and our ability to work successfully with businesses and lenders. Also, be sure to check out our plans for 2011 at the bottom of this e-mail!

The Highlights:

- Seven professionals joined LCG, bringing our total professional staff to 32 people in 10 major cities; Tampa, Atlanta, New York, Chicago, Indianapolis, Buffalo, Houston, Dallas, Oklahoma City, and Boston.
- **Creditor Advisory** – LCG was engaged 471 times by 52 different financial institutions working to originate new transactions, amend and increase existing relationships, or assess the status of existing capital positions.
- **Transaction Advisory** - LCG assisted 33 businesses in navigating the current economic environment, including financings, mergers and acquisitions, and restructurings, consisting of:
 - ✓ 12 closed refinancings and M&A engagements
 - ✓ 3 successful restructurings
 - ✓ 6 successful general & market advisory engagements
 - ✓ 8 engagements currently in process
 - ✓ 4 engagements did not close due to market conditions (2 M&A, 2 refinancings)



Here are a few highlights of Transaction Advisory engagements we completed:

- Closed on the **sale of a specialty equipment rental company** to a financial buyer.
- Completed a **Capital Markets Assessment** related to the viability of a recapitalization including **\$15MM in senior debt for a media and telecommunications company**.
- Engaged by a **healthcare contract research organization to negotiate forbearance terms with its lender** along with the sale of certain subsidiaries.
- Completed the placement of a new **\$7 million senior credit facility** for a manufacturing company.
- Closed on the **sale of a transportation engineering firm** to a strategic buyer.
- Completed a **Capital Markets Assessment** related to the availability of syndication partners to underwrite **\$50 million in new leases for a leading specialty leasing company**.
- Completed a **turnaround and restructuring** of a 25 year-old **building products manufacturer**.
- Completed the placement of a **\$20 million revolving credit facility** for an energy company.
- Completed a **Capital Markets Assessment** and debt restructuring associated with the **refinancing of \$14MM in senior debt for a multi-unit restaurant franchisee**.
- Completed a **Capital Markets Assessment for a real estate opportunity fund**, resulting in a change in strategy and successful launch of a new fund.
- Completed an engagement for a **large foreign private equity fund developing the corporate strategy and exit plan** for one of its US-based telecommunications investments.
- Completed the **debt refinancing and assisted in restructuring of a manufacturer of electronic components**.

Our Focus for 2011:

- **Continued Focus** – In 2011, LCG's investment banking group will continue to focus on assisting businesses in the Media & Telecommunications and Financial Services sectors with their capital raising, refinancing, and merger and acquisition needs (including company sales, management buyouts, recapitalizations, growth/acquisition capital, etc.). This focus is the result of customer demand and our deep expertise within these fields.
- **Valuations** – LCG has expanded into providing business valuations to lenders for evaluating loan risk and business owners for estate planning purposes. Be on the lookout for more information on Valuations!
- **General Transaction Support** – 2009 and 2010 saw unprecedented turbulence within the middle and lower middle markets. Our approach of providing business owners with a customized, unique perspective was well received as we introduced services including Capital Markets Assessments, Exit Facilitation, Restructuring, and Lender Negotiations. We plan to continue this approach in 2011 and hope to assist as many business owners as possible.
- **Giving Back / Positive Impact Campaign** – We will focus on finding more ways to create a positive impact on Tampa Bay area businesses and our local communities. Our efforts will include pro bono work consisting of strategic guidance and operational support for businesses and organizations that are focused on community improvement. Additionally, we plan to work with the lending community to develop practices and safeguards that allow them to make capital more readily available to new and emerging businesses.
- **Due Diligence and Credit Advisory** – After our 7th full year of continued growth in this area, we plan to continue to refine our skills, build our team, and discover new ways to facilitate lending by helping lenders and investors become more informed.