NachmanHaysBrownstein, Inc. Named One of the Nation’s Outstanding Turnaround Firms for the Eleventh Consecutive Year.

NachmanHaysBrownstein, Inc. has been recognized as one of the few “Outstanding Turnaround Firms” in the country by the nationally respected publication Turnarounds & Workouts. The NHB team was honored in 2005 with a record 11th consecutive appearance on the list, cementing the firm’s reputation as “The Premier Middle Market Turnaround Firm”.

NHB’s 2005 performance stands in stark contrast to the reported general malaise in the turnaround profession. Principals Harvey L. Nachman, CTP, Thomas D. Hays III, CTP, Howard Brod Brownstein, CTP and Leland B. Goldberg, CTP led fifty active engagements, and added to their professional staff in the face of downsizing by other turnaround firms. This 2005 NHB Update highlights select examples of growth, progress, measurable results and value realization achieved for the benefit of clients in both the public and private sectors.

Management Progress
NHB measures its clients’ progress by many factors, including a strong focus on cash flow, strengthening management, improvement in operating profit, and long-term overall profitability. Since abundant time is seldom available in a turnaround situation, NHB prides itself in quickly identifying and implementing the needed changes.

Management Transition
An international designer, manufacturer and importer of prestige jewelry products retained NHB to provide leadership and advisory services during a management transition. A caseteam led by Principal Howard Brownstein, CTP, included Managing Director Brendan Kissane, who served as Interim CFO. Brendan continues to advise the company on issues relating to operational and financial performance improvement.

Growth
Philadelphia - John Bambach Jr., formerly a Director in the Restructuring and Insolvency Group of Parente Randolph, a leading regional accounting and consulting services firm, was named Managing Director of NHB.

Keith Northern, formerly a senior executive at Realization Services, Inc. and a longtime lender at Wachovia Bank and its predecessors, was also named Managing Director.

Teresa Sav Kohl, a Senior Consultant in the NHB Philadelphia office was named Director of Marketing.

Boston – Michael Savage, formerly a Director in the Corporate Finance and Restructuring practice of FTI Consulting, was named a Managing Director of NHB.

NHB Managing Director Larry Sax successfully completed the stringent accreditation process sponsored by the Association of Certified Turnaround Professionals and earned the coveted CTP credential.

New York – Jeff Jonas, an experienced chief financial officer and former consultant with FTI Consulting was named a Senior Consultant of NHB.
The NHB client portfolio has grown to include lenders, lender groups and creditors who reach out for NHB when they want advisors who understand management and can manage the business, if it becomes necessary. NHB can also help elevate the level of interaction between creditor/lender and the management team.

Operational Improvement
A bakery business counted on an NHB casetead led by Principal Harvey Nachman, CTP to provide the financial and cash management required to restore support by lenders and suppliers. Based on NHB's recommendations, an organizational development schedule was established, enabling the Company to meet its early-stage profit targets.

Restructuring
A leading supplier of exclusive, high-end decorato- tor fabric and wallpaper called on NHB Managing Director Bob Jaworski and Senior Consultant Roseanne Sweeney to restructure its borrowing capacity and advise the company on the development of an offshore manufacturing joint venture. The elimination of excess inventory and other operational improvements were key factors in the successful evolution of this international icon.

Viability
Principal, Lee Goldberg, CTP and Managing Director Brendan Kissane served as Financial Advisor to a leading lender. NHB provided the lender with due diligence and business plan analysis concerning the viability of a frozen food processor in Chapter 11. This analysis allowed the lender a sufficient comfort level to enable the Company to operate under new management and eventually repay the lender’s obligations.

Principal Lee Goldberg

The Company’s ability to successfully complete a refinancing that paid 100% of claims, rebuilding it after a devastating fire, leading a specialty glass fabricator, leading it out of bankruptcy with a plan that paid 100% of claims, rebuilding it after a devastating fire, leading a management buyout, and finally leading a strategic sale. The subsequent sale of the business resulted in an outstanding 4,000% return to shareholders (including dividends).

Private Equity
Principal, Lee Goldberg, CTP and Managing Director John Wall were retained by a Miami-based private equity fund to serve as Financial Advisor to one of its portfolio companies, a $300 million importer and manufacturer of consumer and hospitality furniture products. NHB completed an evalu- ation of the management team and the business plan, made recommendations to maximize borrowing availability, assisted the Company in completing a detailed, bottom-up cash flow analysis and provided a written report of its findings to all the parties in interest. As a result, NHB was instrumental in the Company’s ability to successfully complete a refinancing that provided significantly more capital to fund its business plan.

Due Diligence
A $5 billion hedge fund engaged Principal Lee Goldberg, CTP, Managing Director Brendan Kissane, and an NHB casetead to serve as Financial Advisor in conjunction with a viability assessment, due diligence, and business plan development for one of its portfolio companies, a Maryland-based designer and importer of clothing accessories. NHB designed an integrated cash flow model to drive the company’s business plan and worked with the company to improve its offshore sourcing procedures.

Public Sector
NHB enhanced its client portfolio mix by expanding its public sector engagements in 2005.

Delaware’s most populous municipality, New Castle County, which includes the City of Wilmington, engaged NHB in the wake of a corporate bankruptcy to assess the viability of one of its portfolio companies, a Maryland-based designer and importer of clothing accessories. NHB designed an integrated cash flow model to drive the company’s business plan and worked with the company to improve its offshore sourcing procedures.

IN THE PUBLIC EYE

NHB Principal Howard Brownstein, CTP was elected to the Executive Committee of the International Board of Directors of TMA and Vice President of Strategic Solutions Group at Bank of America. NHB Principal Gold stein, CTP chaired a panel for the Northeast Chapter of the Turnaround Management Association on the “Current State of Loan Workouts” which included Paul Kennedy, President of Strategic Solutions Group at Bank of America, Walter Schappe, EY’s CapitalSource and David Aloise, Senior Workout Advisor at Eaton Vance and other non-bank lenders.

Once again in 2005, NHB professionals contributed to the professional community through numerous publications and speaking engagements.

Value Realization
Hedge, private equity and distressed debt funds play an increasing role in the troubled company space. The nation’s leading advisors engage NHB on behalf of their portfolio companies.

Long Term Return
Principal Tom Hays, CTP served as the long-term CEO of a specialty glass fabricator, leading it out of bankruptcy with a plan that paid 100% of claims, rebuilding it after a devastating fire, leading a management buyout, and finally leading a strategic sale.

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NachmanHaysBrownstein, Inc. (NHB) provides leadership for underperforming and troubled companies. In addition to the firm’s widely recognized turnaround practice, NHB is committed to helping businesses maximize value for owners, investors, creditors and employees. The quality and professionalism of the firm’s work is demonstrated by its frequent selection as one of the country’s “Outstanding Turnaround Firms” in Turnaouts & Workouts.

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