



Watermark Advisors
Your Ally in the Capital Markets

Watermark Windows September 2010 Edition

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Watermark Windows

Recently Closed Southeast U.S. Merger & Acquisition Transactions (March '10 - August '10)

MEMBER FINRA/SIPC

| Closed | Seller (Unit Sold) | Target City | Buyer | Buyer City | Target Business Description | EV (\$MM) | EV/ EBITDA | EV/ Sales |
|-----------|--|----------------|-------------------------------|---------------|---|------------|------------|-----------|
| 17-Aug-10 | Odyssey HealthCare, Inc. | Dallas | Gentiva Health Services, Inc. | Atlanta | Provides health care services | \$ 881.2 | 10.08x | 1.28x |
| 12-Aug-10 | Cornell Cos., Inc. | Houston | GEO Group, Inc. | Boca Raton | Correctional facilities construction | \$ 658.3 | 7.18x | 1.60x |
| 6-Aug-10 | Aero Hardware & Supply, Inc. | Miami Springs | Satair A/S | Kastrup | Distributes aircraft parts and products | \$ 13.5 | - | - |
| 6-Aug-10 | Residence Inn (New Rochelle) | New Rochelle | Chatham Lodging Trust | Palm Beach | Operates a hotel | \$ 21.0 | - | - |
| 4-Aug-10 | Marriott Intl., Inc. (Residence Inn hotel) | Bethesda | Chatham Lodging Trust | Palm Beach | Operates a 124-suite hotel | \$ 21.3 | - | - |
| 3-Aug-10 | Residence Inn (Long Island) | Holtsville | Chatham Lodging Trust | Palm Beach | Operates a hotel | \$ 21.3 | - | - |
| 2-Aug-10 | Resurrection Health Care (IL, Hospitals) | Chicago | VHS Holdings, LLC | Nashville | Provides health care services | \$ 45.4 | - | - |
| 2-Aug-10 | Register.com, Inc. | New York | Web.com Group, Inc. | Jacksonville | Internet domain registration services | \$ 135.0 | - | 2.17x |
| 31-Jul-10 | TriStone Community Bank | Winston-Salem | 1st Community Bancshares | Bluefield | Commercial banking services | \$ 12.2 | - | 1.47x |
| 30-Jul-10 | F3 Capital (Mandarin Drilling) | Sarasota | Vantage Drilling Co. | Houston | Provides oil drilling services | \$ 254.0 | - | - |
| 30-Jul-10 | CapRock Holdings | Houston | Harris Corp. | Melbourne | Satellite communications services | \$ 525.0 | - | - |
| 29-Jul-10 | Curaxis Pharmaceutical Corp. | Alpharetta | Auto Search Cars, Inc. | Ridgefield | Pharmaceuticals company | \$ 77.0 | - | - |
| 29-Jul-10 | EcoReady Corp. | Merritt Island | CentraCan, Inc. | Freehold | Markets electronic products | \$ 77.3 | - | - |
| 21-Jul-10 | CapMan Oyj (Anhydro A/S) | Helsinki | SPX Corp. | Charlotte | Manufactures industrial chemicals | \$ 68.1 | - | 0.70x |
| 13-Jul-10 | Bemis Co., Inc. (Packaging Businesses) | Neenah | CPG Finance, Inc. | Spartanburg | Manufactures plastic packaging | \$ 82.0 | - | 0.53x |
| 12-Jul-10 | DNA Beverage (Grass Roots Beverage) | Boca Raton | Famous Products, Inc. | Westminster | Manufactures energy drinks | \$ 39.1 | - | - |
| 8-Jul-10 | Syndicate Asset Mgmt. (Climate Exch.) | London | IntercontinentalExchange | Atlanta | Closed-End Investment Fund | \$ 521.0 | - | 10.93x |
| 7-Jul-10 | Marion Regional Healthcare System | Marion | Community Health Systems | Franklin | 124-bed acute care hospital | \$ 25.7 | - | - |
| 2-Jul-10 | Hampton Inn & Suites (Houston) | Houston | Chatham Lodging Trust | Palm Beach | Operates a 120 room hotel | \$ 16.5 | - | - |
| 2-Jul-10 | Clockwork Home Services, Inc. | Sarasota | Centrica plc | Windsor | HVAC, Electrical and plumbing | \$ 183.0 | - | 0.85x |
| 1-Jul-10 | Delta Air Lines, Inc. (Mesaba Airlines) | Atlanta | Pinnacle Airlines Corp. | Memphis | Provides air transportation services | \$ 62.0 | - | 0.14x |
| 1-Jul-10 | Equifax, Inc. (Direct Marketing Svcs.) | Atlanta | Alliance Data Systems Corp. | Dallas | Provides direct marketing services | \$ 117.0 | - | - |
| 1-Jul-10 | Intercontinental Buckhead Atlanta | Atlanta | Pebblebrook Hotel Trust | Bethesda | Operates a 422-room hotel | \$ 105.0 | - | - |
| 1-Jul-10 | Delta Air Lines, Inc. (Compass Airlines) | Atlanta | Trans States Holdings, Inc. | Bridgeton | Provides air transportation services | \$ 20.5 | - | - |
| 1-Jul-10 | Bank of America (First Republic Bank) | Charlotte | First Republic Bank, Inc. | San Francisco | State commercial bank | \$ 2,503.9 | 5.43x | 3.65x |



EV = Enterprise Value
 \$MM = Dollars in Millions
 Southeast: SC, NC, GA, TN, and FL.

Source: MergerStat, August 2010

Watermark Windows

Recently Closed Southeast U.S. Merger & Acquisition Transactions (March '10 - August '10)

MEMBER FINRA/SIPC

| Closed | Seller (Unit Sold) | Target City | Buyer | Buyer City | Target Business Description | EV (\$MM) | EV/EBITDA | EV/Sales |
|-----------|---------------------------------------|-----------------|-----------------------------|----------------|---------------------------------------|------------|-----------|----------|
| 30-Jun-10 | ConocoPhillips/Flying J (CFJ) | Houston | Pilot Travel Centers, LLC | Knoxville | Operates truck plazas | \$ 1,252.0 | - | - |
| 30-Jun-10 | Trimax Wireless, Inc. | Naples | Infrac Systems, Inc. | St. Petersburg | Broadband wireless equipment | \$ 10.0 | - | - |
| 30-Jun-10 | Castle Harlan, Inc. (Packaging Tech) | New York | Sonoco Products Co. | Hartsville | Manufactures thermoformed containers | \$ 120.0 | - | - |
| 30-Jun-10 | Flying J, Inc. (240 Travel Plazas) | Ogden | Pilot Travel Centers, LLC | Knoxville | Operates gas stations | \$ 100.0 | - | - |
| 30-Jun-10 | Svenska Cellulosa (SCA, Asia) | Stockholm | International Paper Co. | Memphis | Corrugated packaging products | \$ 200.0 | - | - |
| 21-Jun-10 | Chapin Revenue Cycle Mgmt. | Tampa | Emdeon, Inc. | Nashville | Develops revenue cycle technology | \$ 22.7 | - | - |
| 17-Jun-10 | Limited Brands, Inc. (Limited Stores) | Columbus | Sun Capital Partners, Inc. | Boca Raton | Designs/markets women's apparel | \$ 128.0 | - | - |
| 16-Jun-10 | BWAY Holding Co. | Atlanta | Madison Dearborn Partners | Chicago | Metal and plastic containers | \$ 829.9 | 6.15x | 0.91x |
| 10-Jun-10 | Forum Health | Austintown | Ardent Health Services, LLC | Nashville | Provides hospital healthcare services | \$ 69.8 | - | 0.68x |
| 10-Jun-10 | Velocitude, LLC | Fort Lauderdale | Akamai Technologies, Inc. | Cambridge | Browsing software services | \$ 12.0 | - | - |
| 9-Jun-10 | Crompton Technology Group, Ltd. | Banbury | Goodrich Corp. | Charlotte | Manufactures composite components | \$ 52.5 | - | - |
| 8-Jun-10 | SSC Service Solutions | Knoxville | Compass Group plc | Chertsey | Provides contract cleaning services | \$ 65.0 | - | - |
| 3-Jun-10 | American Tire Distributors Holdings | Huntersville | TPG Capital, LP | Fort Worth | Operates as a holding company | \$ 1,292.7 | - | 0.60x |
| 1-Jun-10 | Morgan Stanley (Retail Asset Mgmt.) | New York | Invesco Ltd. | Atlanta | Investment management services | \$ 1,503.3 | - | - |
| 1-Jun-10 | Loews Corp. (AL, Natural Gas) | New York | Walter Energy, Inc. | Tampa | Producer of natural gas | \$ 210.0 | - | - |
| 28-May-10 | TV Goods Holding Corp. | Clearwater | H&H Imports, Inc. | Plantation | Develops informercial products | \$ 138.7 | - | - |
| 28-May-10 | Sedgwick CMS (Claims Mgmt. Svcs.) | Memphis | Sedgwick Claims | Memphis | Claims/specialty insurance services | \$ 1,100.0 | - | 1.67x |
| 26-May-10 | Global Payments, Inc. (DolEx Dollar) | Atlanta | Palladium Equity Partners | New York | Electronic fund transfer services | \$ 85.0 | - | 0.61x |
| 21-May-10 | Medfusion, Inc. | Raleigh | Intuit, Inc. | Mountain View | Medical website development | \$ 91.0 | - | - |
| 19-May-10 | Pyramid Healthcare Solutions, Inc. | Clearwater | Avantha Group | Gurgaon | Outsourced healthcare services | \$ 14.5 | - | 1.16x |
| 12-May-10 | Biostem US LLC | Clearwater | Equinox International, Inc. | Las Vegas | Surgical hair transplantation | \$ 81.9 | - | - |
| 6-May-10 | CAMIANT, Inc. | Marlborough | Tekelec | Morrisville | Provides multimedia services | \$ 130.0 | - | - |
| 6-May-10 | Blueslice Networks, Inc. | MontrTal | Tekelec | Morrisville | Subscriber data management solutions | \$ 34.7 | - | - |
| 5-May-10 | Finning Intl. Inc. (Hewden Stuart) | Edmonton | Sun Capital Partners, Inc. | Boca Raton | Provides equipment rental services | \$ 283.1 | 1.89x | 0.73x |
| 4-May-10 | The LPA Group, Inc. | Columbia | Michael Baker Corp. | Moon Township | Engineering and construction services | \$ 59.4 | - | 0.64x |



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|-----------|--|---------------|-------------------------------|-----------------|--|------------|------------|-----------|
| 4-May-10 | TEC Technology, Ltd. | Hong Kong | Highland Ridge, Inc. | West Palm Beach | Operates as a holding company | \$ 24.0 | - | - |
| 3-May-10 | Genovique Specialties | New York | Eastman Chemical Co. | Kingsport | Manufactures specialty plasticizers | \$ 160.0 | - | 1.19x |
| 3-May-10 | Switch & Data Facilities Co., Inc. | Tampa | Equinix, Inc. | Foster City | Provides data center services | \$ 817.3 | 14.01x | 4.17x |
| 3-May-10 | Clark Regional Medical Center | Winchester | LifePoint Hospitals, Inc. | Brentwood | Provides healthcare services | \$ 60.0 | - | - |
| 1-May-10 | Madem Reels USA, Inc. | Chattanooga | Sonoco Products Co. | Hartsville | Nailed wood and plywood reels | \$ 10.2 | - | - |
| 30-Apr-10 | EyeWonder, Inc. | Atlanta | Limelight Networks, Inc. | Tempe | Provides digital advertising services | \$ 128.7 | - | - |
| 30-Apr-10 | Equifax, Inc. (APPRO Systems) | Atlanta | CRIF, SpA | Bologna | Develops risk management solutions | \$ 72.4 | - | 3.62x |
| 30-Apr-10 | Bank of America (Columbia Mgmt.) | Charlotte | Ameriprise Financial, Inc. | Minneapolis | Provides asset management services | \$ 1,000.0 | - | - |
| 19-Apr-10 | Lodgian, Inc. | Atlanta | Lone Star Investment Advisors | Dallas | Owns and operates hotels | \$ 344.1 | 12.28x | 1.83x |
| 19-Apr-10 | Farmers Grain of Trenton | Trenton | Green Plains Energy | Omaha | Provides grain storage services | \$ 25.7 | - | - |
| 14-Apr-10 | Global Development Resources, Inc. | Arden | GDRNC, LLC | Raleigh | Real estate financial services | \$ 10.8 | 8.70x | 3.98x |
| 13-Apr-10 | EarthSearch Communications Intl., Inc. | Atlanta | East Coast Diversified Corp. | Fort Lauderdale | Manufacturer of global positions systems | \$ 17.9 | - | - |
| 13-Apr-10 | Catalina Lighting, Inc. | Miami | Boyne Capital Partners | Miami | Manufactures/distributes lighting fixtures | \$ 39.3 | 5.39x | 0.19x |
| 8-Apr-10 | Torque Tension Systems Ltd. | Ashington | SPX Corp. | Charlotte | Hydraulic bolting products | \$ 15.7 | - | 1.91x |
| 8-Apr-10 | Wealthcharm (Evercharm) | Hong Kong | Healthplace Corp. | Naples | Investment holding company | \$ 82.8 | - | - |
| 7-Apr-10 | Xe Services, LLC (Aviation Worldwide) | Moyock | AAR Corp. | Wood Dale | Sells/leases aircrafts and equipment | \$ 200.0 | - | 1.14x |
| 1-Apr-10 | Synovus Financial (Columbus B&T) | Columbus | Merchant e-Solutions, Inc. | Redwood City | Provides merchant banking services | \$ 70.5 | - | - |
| 1-Apr-10 | PMA, AG | Uster | Thomas & Betts Corp. | Memphis | Resin-based cable protection systems | \$ 113.8 | - | 2.54x |
| 26-Mar-10 | Key West Bank | Key West | Home Bancshares, Inc. | Conway | Operates as a commercial bank | \$ 17.8 | - | 4.39x |
| 25-Mar-10 | Saf-T-Net, Inc. | Raleigh | Blackboard, Inc. | Washington | Messaging and mass notification | \$ 36.4 | - | 3.72x |
| 24-Mar-10 | Healthcare Technology Mgmt. Svcs. | Indianapolis | Emdeon, Inc. | Nashville | Management consulting services | \$ 25.0 | - | - |
| 19-Mar-10 | Multicast Media Technologies, Inc. | Atlanta | KIT digital, Inc. | New York | Provides Internet broadcast products | \$ 23.3 | - | 4.48x |
| 17-Mar-10 | Almar Management (CA, Ops) | Rolling Hills | CNL Lifestyle Properties | Orlando | Operates marinas | \$ 55.0 | - | - |



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 Southeast: SC, NC, GA, TN, and FL.

Source: MergerStat, August 2010

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Speed of Southeast Economic Recovery Showing Signs of Deceleration

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Banking Conditions Weakened Across Much of Southeast

Banking conditions varied across the U.S. with some regions noting soft or decreased overall loan demand and credit standards remaining tight in most of the U.S. Although several Southeast bankers still report that credit is available to qualified customers, banking credit conditions remained tight and loan demand was subdued. Both consumer and business loan demand has been low as consumers seemed reluctant to take on additional debt.

Consumers continue to focus on deleveraging as credit card use continues to decline. Industry reports indicate that overall banking conditions weakened across much of the Southeast.



Source: Atlanta Federal Reserve (July, 2010 Beige Book)

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Speed of Southeast Economic Recovery Showing Signs of Deceleration

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Manufacturing : Production Growing at Slower Pace

Manufacturing activity continued to expand throughout most of the U.S., although several regions reported that activity had slowed or leveled off. Many Southeast manufacturers are experiencing slower growth in production than prior months. Some firms are still achieving higher order levels, but this number has declined noticeably over the past months. In addition, excess production capacity was reported for a number of manufacturers in the Southeast.

Employment: Private Payroll Employment Increased Slightly, but Firms Aren't Ready to Ramp Up New Hires

Labor market conditions improved gradually in much of the U.S., including Atlanta, which experienced modest improvement. Although payrolls have increased slightly, most firms are still relying on increasing existing employee hours and temporary staffing. While many firms have not gained the confidence to commit resources to hiring full time employees, increasing payrolls at Southeastern firms is positive.



Source: Atlanta Federal Reserve (July, 2010 Beige Book)

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Yield Curve Tightens 135 Basis Points and Dow Jones Falls 9% Since April 2010

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| | 91-Day T-Bills | 10-Year Treasuries | Spread | Dow Jones Industrial Avg. | S&P 500 | NYSE Composite | NASDAQ Composite |
|----------------------------------|-----------------------|-----------------------|--------|------------------------------|--------------|-------------------|---------------------|
| | <i>(Average in %)</i> | | | <i>(End of Period)</i> | | | |
| August '10 | 0.16 | 2.50 | 2.34 | 10,060.06 | 1,055.33 | 6,696.12 | 2,141.54 |
| July '10 | 0.16 | 3.01 | 2.85 | 10,465.94 | 1,101.60 | 6,998.99 | 2,254.70 |
| June '10 | 0.12 | 3.20 | 3.08 | 9,774.02 | 1,030.71 | 6,469.65 | 2,109.24 |
| May '10 | 0.16 | 3.42 | 3.26 | 10,136.63 | 1,089.41 | 6,791.57 | 2,257.04 |
| April '10 | 0.16 | 3.85 | 3.69 | 11,008.61 | 1,186.69 | 7,474.40 | 2,461.19 |
| March '10 | 0.15 | 3.73 | 3.58 | 10,856.63 | 1,169.43 | 7,447.80 | 2,397.96 |
| February '10 | 0.11 | 3.69 | 3.58 | 10,325.26 | 1,104.49 | 7,035.04 | 2,238.26 |
| January '10 | 0.06 | 3.73 | 3.67 | 10,067.33 | 1,073.87 | 6,883.78 | 2,147.35 |
| December '09 | 0.05 | 3.59 | 3.54 | 10,428.05 | 1,115.10 | 7,184.96 | 2,269.15 |
| November '09 | 0.05 | 3.40 | 3.35 | 10,344.84 | 1,095.63 | 7,092.36 | 2,144.60 |
| October '09 | 0.07 | 3.39 | 3.32 | 9,712.73 | 1,036.19 | 6,739.45 | 2,045.11 |
| September '09 | 0.12 | 3.40 | 3.28 | 9,712.28 | 1,057.08 | 6,910.88 | 2,122.42 |
| August '09 | 0.17 | 3.59 | 3.42 | 9,496.28 | 1,020.62 | 6,643.24 | 2,009.06 |
| July '09 | 0.18 | 3.56 | 3.38 | 9,171.61 | 987.48 | 6,424.28 | 1,978.50 |
| June '09 | 0.18 | 3.72 | 3.54 | 8,447.00 | 919.32 | 5,905.15 | 1,835.04 |
| 3 Months (June '09 - August '09) | 0.18 | 3.62 | 3.45 | 9,038.30 | 975.81 | 6,324.22 | 1,940.87 |
| 3 Months (June '10 - August '10) | 0.15 | 2.90 | 2.76 | 10,100.01 | 1,062.55 | 6,721.59 | 2,168.49 |
| <i>Percentage Change</i> | | | | <i>11.75%</i> | <i>8.89%</i> | <i>6.28%</i> | <i>11.73%</i> |

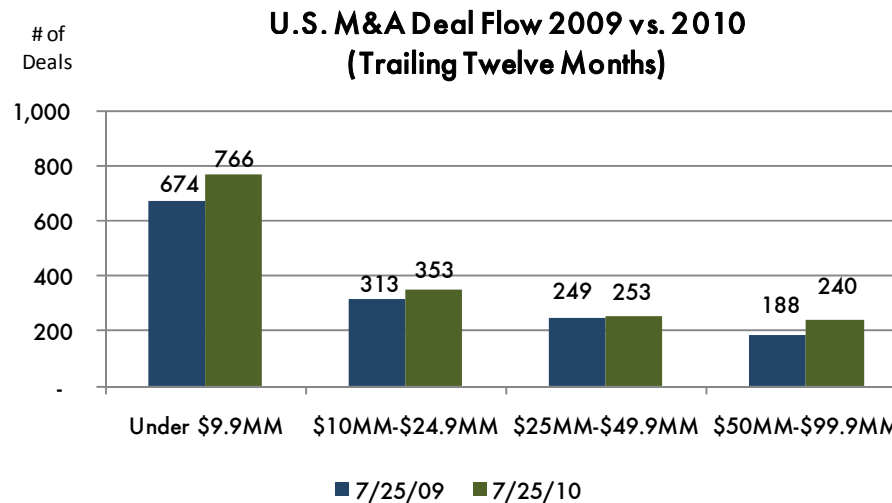
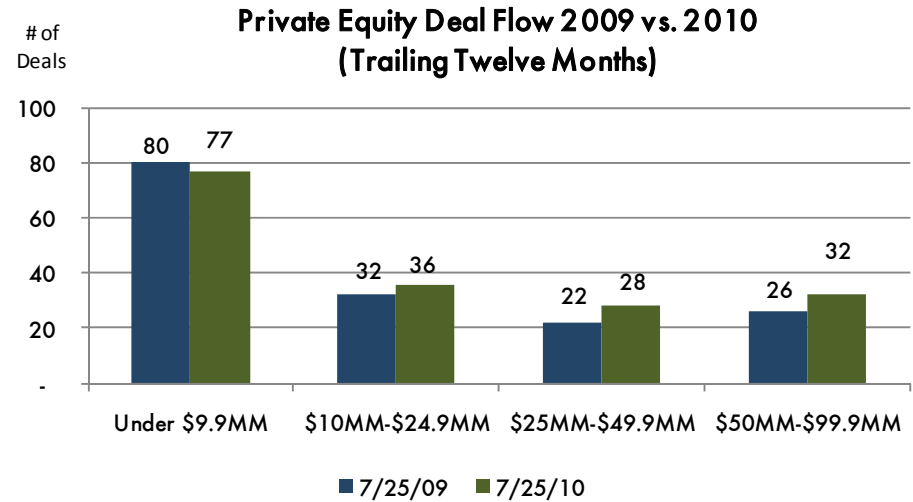
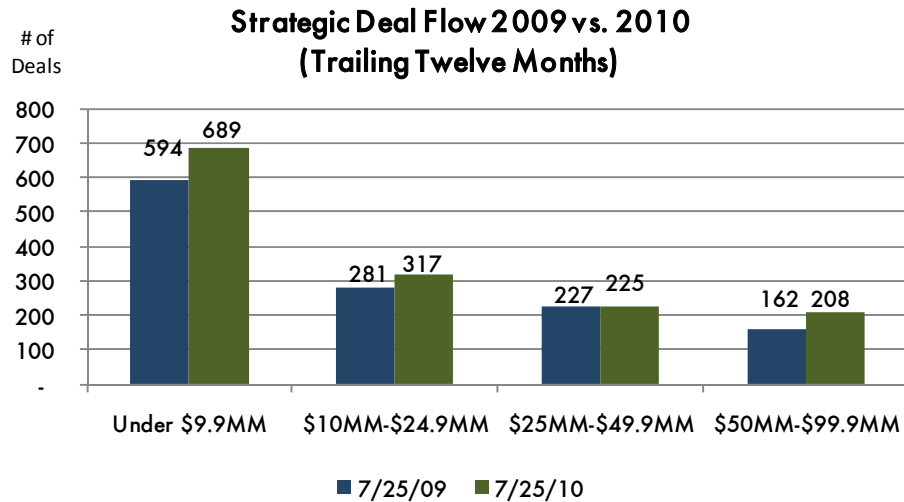
Source: FederalReserve.gov, Yahoo!Finance.com



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Strategic Deals Closed Under \$25MM Increased 15% Y/Y While Private Equity Deals Closed Flat

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Middle Market: Deals
\$1MM to \$250MM
TTM = Trailing-Twelve Months
Y/Y = Year-over-year

Source: MergerStat, August 2010

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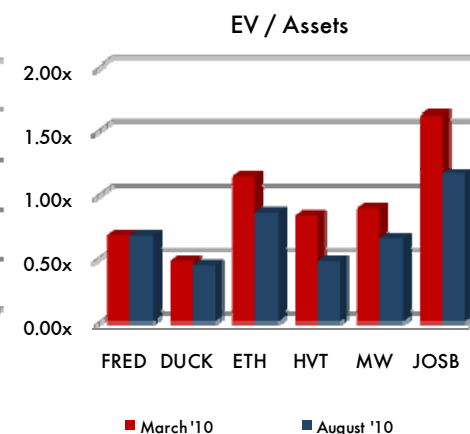
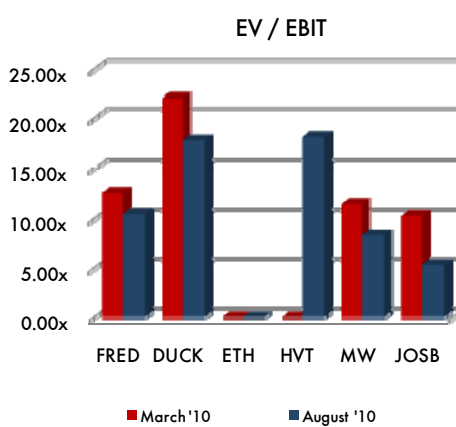
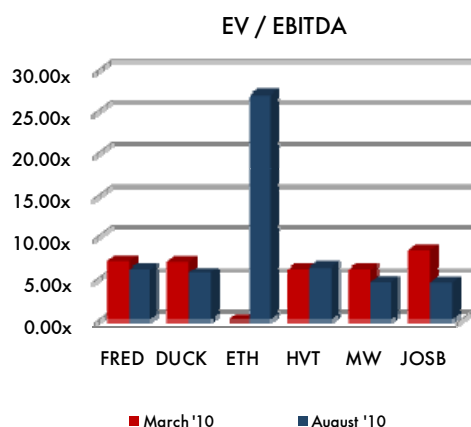
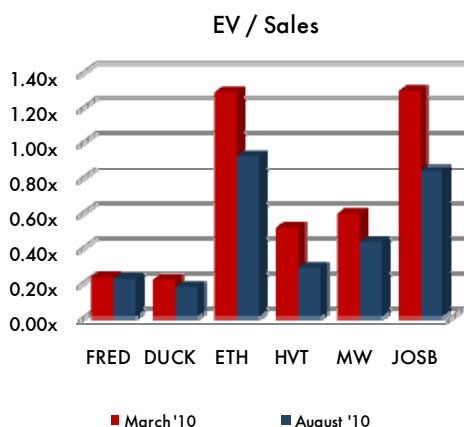
Retail: Apparel, Discount Stores, and Home Furnishings

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Jos. A. Bank Delivers Impressive 18.7% EBITDA Margins vs. Group Average of 7.1%

| Company | Ticker | Margin Analysis | | | | | | Enterprise Value / | | | |
|-----------------------------------|--------|-------------------------|-------|-------|--------------|--------|-------|---------------------|----------------------|--------------------|----------------------|
| | | August '10 TTM Sales | P/E | F P/E | Gross Profit | EBITDA | EBIT | August '10 Sales | August '10 EBITDA | August '10 EBIT | August '10 Assets |
| Fred's, Inc. | FRED | \$1,801,403,000 | 19.03 | 12.53 | 28.2% | 3.6% | 2.1% | 0.22x | 6.11x | 10.43x | 0.67x |
| Duckwall-ALCO Stores, Inc. | DUCK | \$486,554,000 | 47.91 | N/A | 31.9% | 3.0% | 1.0% | 0.17x | 5.69x | 17.81x | 0.44x |
| Ethan Allen Interiors, Inc. | ETH | \$590,054,000 | N/A | 13.50 | 47.5% | 3.4% | n.m. | 0.92x | 26.96x | n.m. | 0.86x |
| Haverty Furniture Companies, Inc. | HVT | \$615,454,000 | 20.13 | 12.61 | 52.1% | 4.4% | 1.6% | 0.28x | 6.37x | 18.16x | 0.47x |
| The Men's Wearhouse, Inc. | MW | \$1,918,907,000 | 19.61 | 13.21 | 42.3% | 9.5% | 5.2% | 0.43x | 4.51x | 8.23x | 0.65x |
| Jos. A. Bank Clothiers, Inc. | JOSB | \$786,516,000 | 14.03 | 11.21 | 61.9% | 18.7% | 15.8% | 0.84x | 4.46x | 5.28x | 1.16x |

| | Median | Mean | Min | Max |
|--------------|--------|--------|-------|--------|
| Gross Profit | 44.9% | 44.0% | 28.2% | 61.9% |
| EBITDA | 4.0% | 7.1% | 3.0% | 18.7% |
| EBIT | 2.1% | 5.1% | 1.0% | 15.8% |
| EV / Sales | 0.36x | 0.48x | 0.17x | 0.92x |
| EV / EBITDA | 5.90x | 9.02x | 4.46x | 26.96x |
| EV / EBIT | 10.43x | 11.98x | 5.28x | 18.16x |
| EV / Assets | 0.66x | 0.71x | 0.44x | 1.16x |



P/E = Price to earnings ratio
F P/E = Forward price to earnings ratio

Source: PE - MorningStar.com; Financials - SEC.gov

Not Material ("n.m.") signifies losses
TTM = Trailing Twelve Months

Watermark Windows

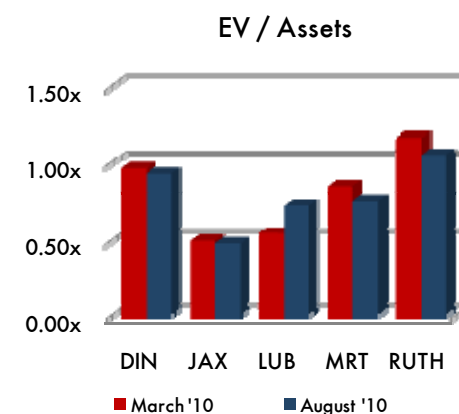
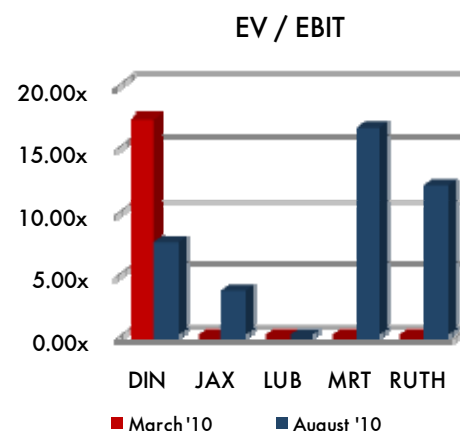
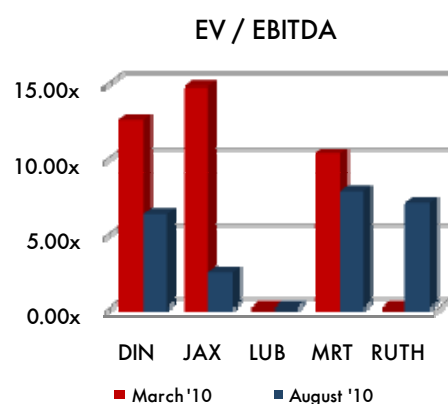
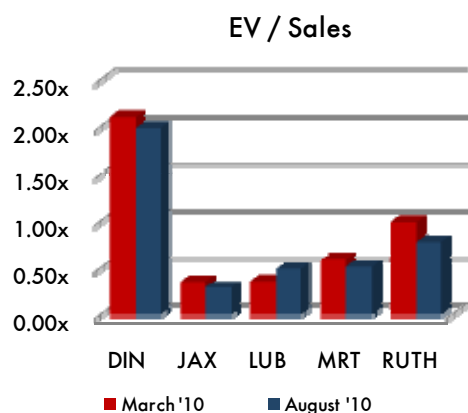
Retail: Restaurant Industry

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DineEquity Leading Group with 31% EBITDA Margins vs. Group Average of 15.4%

| Company | Ticker | August '10 TTM Sales | P/E | F P/E | Margin Analysis | | | Enterprise Value / | | | |
|--------------------------------|--------|-------------------------|-------|-------|-----------------|--------|-------|---------------------|----------------------|--------------------|----------------------|
| | | | | | Gross Profit | EBITDA | EBIT | August '10 Sales | August '10 EBITDA | August '10 EBIT | August '10 Assets |
| DineEquity | DIN | \$1,386,651,000 | N/A | 8.16 | 38.8% | 31.5% | 26.8% | 1.99x | 6.32x | 7.43x | 0.93x |
| J. Alexander Corp. | JAX | \$146,480,000 | N/A | N/A | 33.1% | 12.5% | 8.0% | 0.29x | 2.35x | 3.64x | 0.48x |
| Luby's, Inc. | LUB | \$272,945,000 | N/A | 18.41 | 37.5% | n.m. | n.m. | 0.50x | n.m. | n.m. | 0.73x |
| Mortons Restaurant Group, Inc. | MRT | \$288,684,000 | N/A | 10.40 | 14.6% | 6.7% | 3.1% | 0.52x | 7.76x | 16.59x | 0.76x |
| Ruth's Hospitality Group, Inc. | RUTH | \$347,181,000 | 22.89 | 10.03 | 19.4% | 11.1% | 6.5% | 0.77x | 6.97x | 11.94x | 1.05x |

| | Median | Mean | Min | Max |
|--------------|--------|-------|-------|--------|
| Gross Profit | 33.1% | 28.7% | 14.6% | 38.8% |
| EBITDA | 11.8% | 15.4% | 6.7% | 31.5% |
| EBIT | 7.3% | 11.1% | 3.1% | 26.8% |
| EV / Sales | 0.52x | 0.82x | 0.29x | 1.99x |
| EV / EBITDA | 6.64x | 5.85x | 2.35x | 7.76x |
| EV / EBIT | 9.68x | 9.90x | 3.64x | 16.59x |
| EV / Assets | 0.76x | 0.79x | 0.48x | 1.05x |



P/E = Price to earnings ratio
F P/E = Forward price to earnings ratio

Source: PE - MorningStar.com; Financials - SEC.gov

Not Material ("n.m.") signifies losses
TTM = Trailing Twelve Months

Watermark Windows

Business Services: Staffing Industry

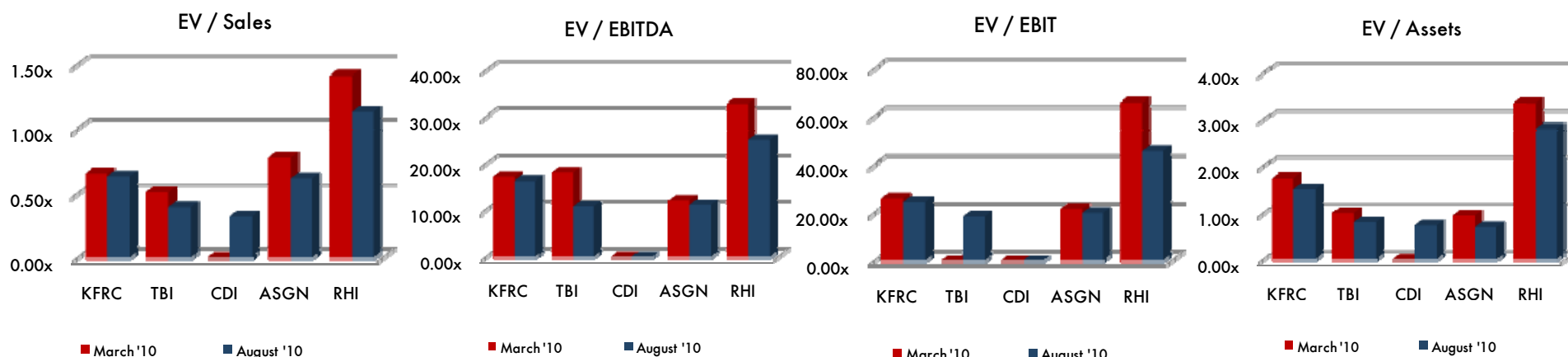
MEMBER FINRA/SIPC

Mean EBITDA Margins Still Hovering Below 5%

| Company | Ticker | August '10 TTM Sales | P/E | F P/E | Margin Analysis | | | Enterprise Value / | | | |
|---------------------------------|--------|-------------------------|-------|-------|-----------------|--------|------|---------------------|----------------------|--------------------|----------------------|
| | | | | | Gross Profit | EBITDA | EBIT | August '10 Sales | August '10 EBITDA | August '10 EBIT | August '10 Assets |
| Kforce, Inc. | KFRC | \$925,668,000 | 31.50 | 13.91 | 31.2% | 3.9% | 2.6% | 0.63x | 16.28x | 24.37x | 1.51x |
| TrueBlue, Inc. | TBI | \$1,071,648,000 | 30.43 | 15.86 | 27.3% | 3.7% | 2.1% | 0.40x | 10.74x | 18.54x | 0.80x |
| CDI Corp. | CDI | \$869,794,000 | 38.90 | 14.40 | 19.7% | n.m. | n.m. | 0.33x | n.m. | n.m. | 0.73x |
| On Assignment, Inc. | ASGN | \$398,749,000 | 52.71 | 13.58 | 33.1% | 5.5% | 3.1% | 0.61x | 11.12x | 19.92x | 0.70x |
| Robert Half International, Inc. | RHI | \$2,969,598,000 | 78.98 | 25.11 | 37.1% | 4.5% | 2.5% | 1.15x | 25.35x | 46.18x | 2.81x |

| | Median | Mean | Min | Max |
|--------------|--------|--------|--------|--------|
| Gross Profit | 31.2% | 29.7% | 19.7% | 37.1% |
| EBITDA | 4.2% | 4.4% | 3.7% | 5.5% |
| EBIT | 2.5% | 2.6% | 2.1% | 3.1% |
| EV / Sales | 0.61x | 0.62x | 0.33x | 1.15x |
| EV / EBITDA | 13.70x | 15.87x | 10.74x | 25.35x |
| EV / EBIT | 22.15x | 27.25x | 18.54x | 46.18x |
| EV / Assets | 0.80x | 1.31x | 0.70x | 2.81x |

* *Update: On April 5, 2010, COMSYS IT Partners, Inc. was acquired by Manpower, Inc. for total enterprise value of \$427 million, or an EV/Sales multiple of approximately 0.66x. CDI Corp. has been added to the Staffing Industry grouping to replace COMSYS IT Partners.*



P/E = Price to earnings ratio
F P/E = Forward price to earnings ratio

Source: PE - MorningStar.com; Financials - SEC.gov

Not Material ("n.m.") signifies losses
TTM = Trailing Twelve Months

Watermark Windows

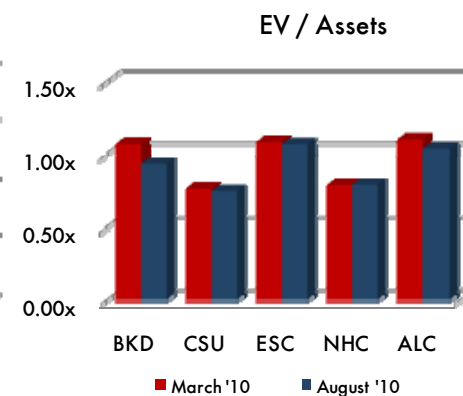
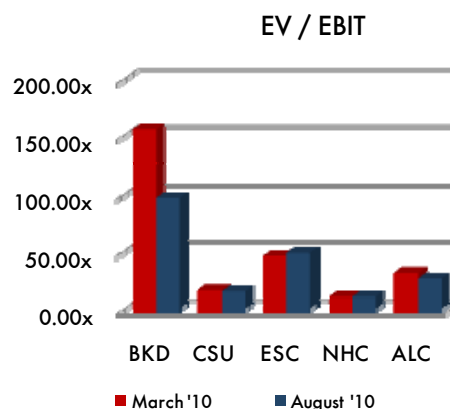
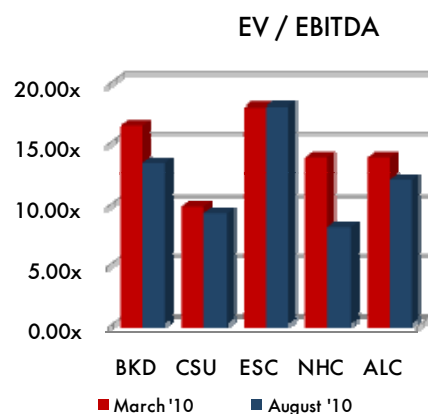
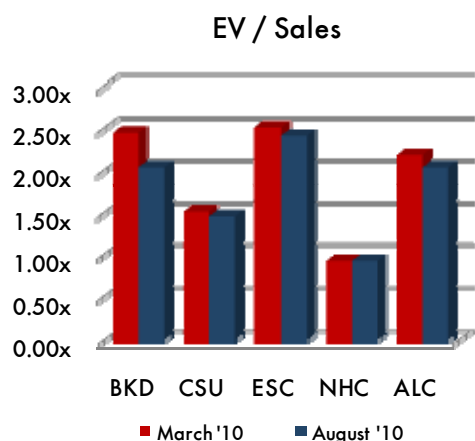
Healthcare: Assisted Living Facilities

MEMBER FINRA/SIPC

Assisted Living Concepts Leads in Profitability with 17% EBITDA Margins

| Company | Ticker | August '10 TTM Sales | P/E | F P/E | Margin Analysis | | | Enterprise Value / | | | |
|--------------------------------|--------|-------------------------|-------|-------|-----------------|--------|------|---------------------|----------------------|--------------------|----------------------|
| | | | | | Gross Profit | EBITDA | EBIT | August '10 Sales | August '10 EBITDA | August '10 EBIT | August '10 Assets |
| Brookdale Senior Living, Inc. | BKD | \$2,117,761,000 | N/A | N/A | 35.0% | 15.5% | 2.1% | 2.04x | 13.20x | 97.32x | 0.94x |
| Capital Senior Living Corp. | CSU | \$195,232,000 | 38.60 | 14.58 | 44.9% | 15.9% | 8.9% | 1.46x | 9.20x | 16.45x | 0.75x |
| Emeritus Corp. | ESC | \$928,743,000 | N/A | N/A | 34.0% | 13.4% | 5.0% | 2.42x | 18.03x | 48.83x | 1.07x |
| National Healthcare Corp. | NHC | \$683,557,000 | 14.68 | 13.62 | 44.1% | 11.6% | 7.8% | 0.93x | 8.04x | 11.98x | 0.79x |
| Assisted Living Concepts, Inc. | ALC | \$231,137,000 | 23.20 | 16.06 | 39.4% | 17.0% | 7.4% | 2.04x | 12.00x | 27.69x | 1.04x |

| | Gross Profit | EBITDA | EBIT | EV / Sales | EV / EBITDA | EV / EBIT | EV / Assets |
|--------|--------------|--------|------|------------|-------------|-----------|-------------|
| Median | 39.4% | 15.5% | 7.4% | 2.04x | 12.00x | 27.69x | 0.94x |
| Mean | 39.5% | 14.7% | 6.2% | 1.78x | 12.10x | 40.45x | 0.92x |
| Min | 34.0% | 11.6% | 2.1% | 0.93x | 8.04x | 11.98x | 0.75x |
| Max | 44.9% | 17.0% | 8.9% | 2.42x | 18.03x | 97.32x | 1.07x |



P/E = Price to earnings ratio
F P/E = Forward price to earnings ratio

Source: PE - MorningStar.com; Financials - SEC.gov

Not Material ("n.m.") signifies losses
TTM = Trailing Twelve Months

Watermark Windows

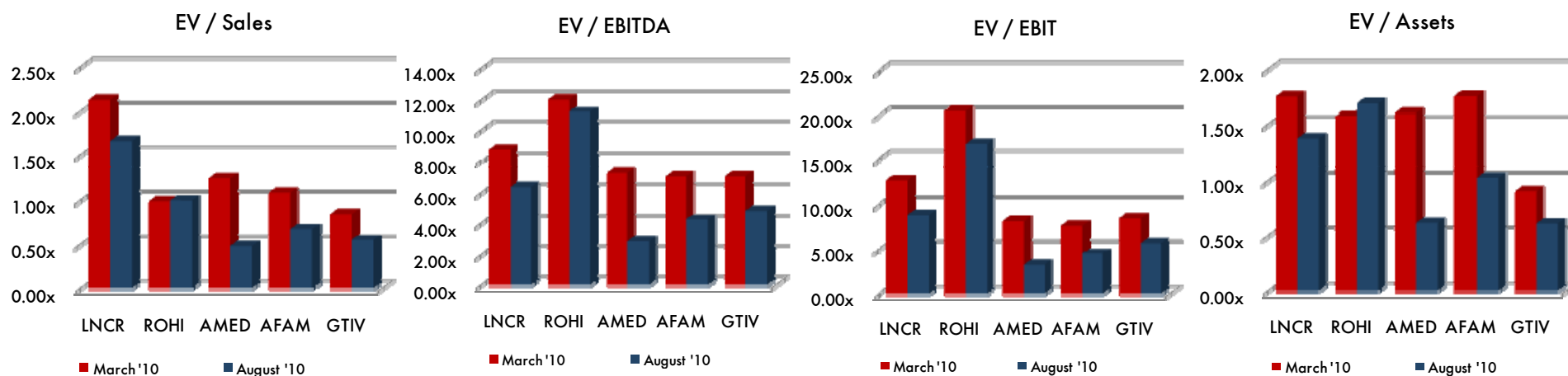
Healthcare: Home Health Services

MEMBER FINRA/SIPC

Lincare Achieves 26.3% EBITDA Margins vs. Group Average of 15.8%

| Company | Ticker | August '10 TTM Sales | P/E | F P/E | Margin Analysis | | | Enterprise Value / | | | |
|-------------------------------|--------|-------------------------|-------|-------|-----------------|--------|-------|---------------------|----------------------|--------------------|----------------------|
| | | | | | Gross Profit | EBITDA | EBIT | August '10 Sales | August '10 EBITDA | August '10 EBIT | August '10 Assets |
| Lincare Holdings, Inc. | LNCR | \$1,626,850,000 | 13.77 | 10.92 | 72.5% | 26.2% | 19.0% | 1.67x | 6.38x | 8.82x | 1.37x |
| Rotech Healthcare, Inc. | ROHI | \$493,387,000 | N/A | N/A | 65.9% | 8.8% | 5.9% | 1.00x | 11.31x | 17.00x | 1.69x |
| Amedisys, Inc. | AMED | \$1,629,044,000 | 4.93 | 6.61 | 51.2% | 16.8% | 14.9% | 0.48x | 2.87x | 3.24x | 0.62x |
| Almost Family, Inc. | AFAM | \$308,861,000 | 8.24 | 8.68 | 53.8% | 15.7% | 14.9% | 0.67x | 4.26x | 4.50x | 1.03x |
| Gentiva Health Services, Inc. | GTIV | \$1,185,488,000 | 12.18 | 7.59 | 52.6% | 11.4% | 9.7% | 0.55x | 4.86x | 5.72x | 0.61x |

| | 53.8% | 15.7% | 14.9% | 0.67x | 4.86x | 5.72x | 1.03x |
|---------------|-------|-------|-------|-------|--------|--------|-------|
| Median | 53.8% | 15.7% | 14.9% | 0.67x | 4.86x | 5.72x | 1.03x |
| Mean | 59.2% | 15.8% | 12.9% | 0.88x | 5.94x | 7.86x | 1.07x |
| Min | 51.2% | 8.8% | 5.9% | 0.48x | 2.87x | 3.24x | 0.61x |
| Max | 72.5% | 26.2% | 19.0% | 1.67x | 11.31x | 17.00x | 1.69x |



P/E = Price to earnings ratio
F P/E = Forward price to earnings ratio

Source: PE - MorningStar.com; Financials - SEC.gov

Not Material ("n.m.") signifies losses
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Wholesale Distribution: Electronic Component Distribution

MEMBER FINRA/SIPC

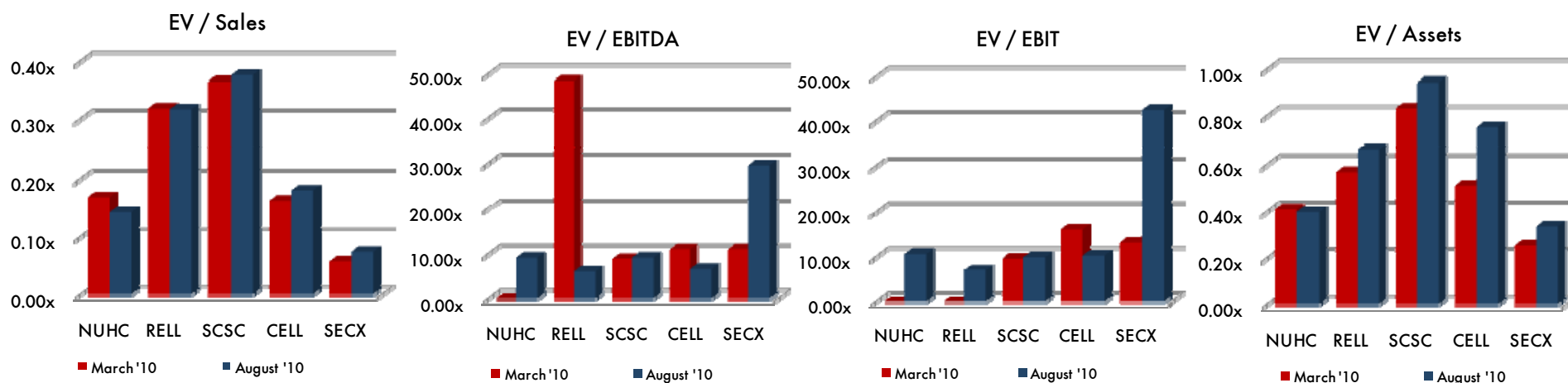
Razor Thin Margins Challenge Electronic Components Distributors

| Company | Ticker | August '10 TTM Sales | P/E | F P/E | Margin Analysis | | | Enterprise Value / | | | |
|-------------------------------------|--------|-------------------------|-------|-------|-----------------|--------|------|---------------------|----------------------|--------------------|----------------------|
| | | | | | Gross Profit | EBITDA | EBIT | August '10 Sales | August '10 EBITDA | August '10 EBIT | August '10 Assets |
| Nu Horizons Electronics Corporation | NUHC | \$733,730,000 | 28.65 | 45.63 | 14.1% | 1.6% | 1.3% | 0.14x | 8.72x | 10.10x | 0.38x |
| Richardson Electronics, Ltd. | RELL | \$491,847,000 | 10.79 | N/A | 24.0% | 5.3% | 4.5% | 0.31x | 5.84x | 6.91x | 0.65x |
| ScanSource, Inc. | SCSC | \$2,114,979,000 | 14.19 | 11.67 | 10.4% | 3.9% | 3.6% | 0.32x | 8.36x | 9.03x | 0.80x |
| Brightpoint, Inc. | CELL | \$3,372,795,000 | 14.33 | 7.79 | 8.9% | 2.8% | 1.7% | 0.16x | 5.83x | 9.36x | 0.68x |
| SED International Holdings, Inc. | SECX | \$535,247,000 | N/A | N/A | 5.2% | 0.2% | 0.2% | 0.07x | 28.95x | 41.52x | 0.33x |

Median
Mean
Min
Max

| | | | | | | |
|-------|------|------|-------|--------|--------|-------|
| 10.4% | 2.8% | 1.7% | 0.16x | 8.36x | 9.36x | 0.65x |
| 12.5% | 2.8% | 2.3% | 0.20x | 11.54x | 15.38x | 0.57x |
| 5.2% | 0.2% | 0.2% | 0.07x | 5.83x | 6.91x | 0.33x |
| 24.0% | 5.3% | 4.5% | 0.32x | 28.95x | 41.52x | 0.80x |

* *Update:* On July 6, 2010, Bell Microproducts, Inc. was acquired by Avnet, Inc. for total enterprise value of \$631 million, or an EV/Sales multiple of approximately 0.21x. SED International Holdings, Inc. has been added to the Electronic Component Distribution grouping to replace Bell Microproducts, Inc.



P/E = Price to earnings ratio
F P/E = Forward price to earnings ratio

Source: PE - MorningStar.com; Financials - SEC.gov

Not Material ("n.m.") signifies losses
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Watermark Windows

Advisory Section: Financial MAPs and Navigating the Challenging Economy Ahead

MEMBER FINRA/SIPC

In this *Watermark Windows* Advisory Section, Executive Managing Director, Hagen Rogers answers questions on how to plan for the volatile and challenging market private companies can expect ahead. The section highlights how the firm is advising management teams on navigating through these choppy waters, with a specific focus helping companies create a financial Massive Action Plan (MAP).

1) Do you believe the economy will be more or less challenging for private companies over the next 18 to 24 months?

HR: We believe the economy will become increasingly challenging for private companies with the pace of disruptions escalating. The U.S. public debt has skyrocketed reaching \$13.3 trillion in August 2010. After the highest year ever in fiscal 2009 with net borrowing of \$1.79 trillion, the U.S. government is unfortunately expected to match, if not exceed that number in 2010. This could mean having to attract \$400 billion of foreign capital to the US government bond market. The U.S. government remains heavily dependent on foreign countries, especially China, in buying the nation's debt. Although the U.S. has some time to begin moving the government debt "needle" in the right direction, current circumstances create an overwhelming amount of uncertainty as the U.S. will have to make some tough choices in the near future.



Watermark Windows

Advisory Section: Financial MAPs and Navigating the Challenging Economy Ahead

MEMBER FINRA/SIPC

2) Why do you believe management teams need to be laser focused on improving business model assumptions?

HR: We surveyed a third of our clients earlier this summer to identify service offerings that they believed would add significant value. Specifically, we asked which of fifteen business leadership areas would have increased their valuation the most in advance of their own transaction. Results showed that two-to-one our clients believed that creating barriers around competitive advantages was the highest priority.

Companies that have identified leading trends in which they can position their model with barriers around their competitive advantages will be able to out-price their competition and sustain higher profits. Higher profits will be necessary because we believe that interest rates are going to rise significantly due to a further scarcity of capital, and therefore only the very strong will be well positioned in the next 3-5 years. Owners need help in resetting business model assumptions, identifying leading trends, creating barriers around competitive advantages and inspiring their teams to higher ground in what we believe will be very difficult business market conditions.



Watermark Windows

Advisory Section: Financial MAPs and Navigating the Challenging Economy Ahead

MEMBER FINRA/SIPC

3) What services is Watermark offering to help management teams thrive in the upcoming economy? Why is this important?

HR: Many agree that industry uncertainty has never been greater and customer loyalty has dipped to a low. Companies are being compelled to reshape their tried and true business models. We are helping companies build what we call a financial Massive Action Plan (MAP), which we believe is increasingly relevant for the challenging markets that private companies face today.

The process involves exhaustive research around several critical areas where companies must have great insight in order to drive exceptional performance. We advise clients to get real clear on the outcomes they want for themselves and for their business three years out. Asking the right questions is vital to company's success in this economy. How "world class" are your operations today? What research can identify cutting edge industry trends? What limiting beliefs have held you back as a company? What results are you committed to achieving? MAPs challenge CEOs to look at 13 critical areas where companies need to drive excellence in order to lead in the future. The MAP, when finished becomes a foundation piece to keep business leaders focused. Its use ranges from communication of your strategy and tactics to your financing sources, to running scenarios in how to make money and build value in highly disruptive business markets.



Watermark Windows

Advisory Section: Financial MAPs and Navigating the Challenging Economy Ahead

MEMBER FINRA/SIPC

4) How is Watermark observing leaders in the marketplace and how can CEOs learn from these leaders?

HR: Watermark finalized a study of six publicly traded companies in the Home Health Services market in spring 2010. We looked at performance over a 20 year period to identify why and how leaders emerged. Watermark identified Lincare Holdings as the clear leader in this highly competitive rapid growth market. The home respiratory care segment, an area Lincare focused, grew from \$1.5 to \$8.5 billion from 1993 to 2008. In this rapidly growing market Lincare grew from 9% to 17% market share over the time period. Lincare's proprietary information management systems was key to this success because it enabled management to monitor activity on a daily basis. The effort put forth to monitor performance disproportionately versus the competition gave them a distinct edge.

From this we ask companies....where are you uncomfortable right now as it relates to absolute oversight over details in running your business? How have you implemented your organizational structure to create stringent oversight, accountability, and monitoring with a frequency that is disproportionate to your competitors? As in the case of Lincare, we truly believe that creating barriers around competitive advantages leads to long term market leadership.



Watermark Windows

The Four Most Dangerous Trends Facing Private Companies Today

MEMBER FINRA/SIPC

Do you believe you are securely positioned with your business model and industry to withstand a second and more severe disruption in our economy than what you experienced in 2008? Watermark Advisors has recently commissioned a \$10,000 study for companies that are contemplating how to best lead their company over the next 12-18 months. We see four troubling factors that together are likely to increase the velocity of disruptions. Here are some of the highlights:

- Spotlights six economic bubbles that are interconnected.
- Four burst in 2008, but two still growing and becoming more troubling.
- Estimated 1 of 7 companies facing a refinancing in the next 6 months will be asked to find alternative sources of capital.
- Amount of debt coming due in U.S. is increasing geometrically each quarter over the next few years.
- Economy will become increasingly challenging for private companies next 18 to 24 months.

Please call our Greenville office at 864-527-5960 to schedule a time to hear this one hour complementary executive briefing.



Vision

THE VISION OF WATERMARK ADVISORS IS TO BE THE PREFERRED INVESTMENT BANKING ADVISORY FIRM SERVING PRIVATELY OWNED MIDDLE MARKET COMPANIES.

Mission

WATERMARK ADVISORS SEEKS TO AID BUSINESS OWNERS LOOKING TO GROW OR HARVEST VALUE FROM THEIR COMPANIES BY PROVIDING SUPERIOR:

- INDUSTRY RESEARCH AND ANALYSIS
- VALUATION SERVICES
- STRATEGIC AND FINANCIAL MODELING
- MERGER AND ACQUISITION ADVISORY SERVICES
- PRIVATE DEBT AND EQUITY FINANCINGS



A WATERMARK IS AN INTERNAL IMPRESSION MADE ON PAPER OR CURRENCY THAT IS VISIBLE WHEN HELD UP TO THE LIGHT. IT IS A SYMBOL OF AUTHENTICITY, QUALITY AND EXCELLENCE.

Watermark Advisors

YOUR ALLY
IN THE CAPITAL MARKETS

WATERMARK ADVISORS PROVIDES THE QUALITY AND EXCELLENCE OF SERVICE THAT MAKES A DISTINCTIVE AND LASTING IMPRESSION ON EACH CLIENT, LONG AFTER THE ASSIGNMENT IS COMPLETED.

"HE WHO IS FAITHFUL IN A VERY LITTLE THING
IS FAITHFUL ALSO IN MUCH"
LUKE 16:10

Culture

WATERMARK ADVISORS CULTIVATES AN ENVIRONMENT OF PROFESSIONALISM, INTEGRITY, AND SERVANT LEADERSHIP BY ADHERING TO THE FOLLOWING DEFINING VALUES:

- PLACE OUR CLIENTS' INTERESTS AHEAD OF OUR OWN
- DEMONSTRATE A SENSE OF URGENCY IN EXECUTION WITHOUT ARROGANCE
- PASSIONATELY STRIVE TO ACHIEVE THE BEST RESULT WITHOUT LOSING COMPASSION FOR THE PEOPLE WHO HELP MAKE IT HAPPEN
- EMBRACE A TEAM APPROACH TO BUSINESS, WHERE EACH PROFESSIONAL IS ACCOUNTABLE FOR CONTRIBUTING TO SUCCESSFUL EXECUTION FOR CLIENTS
- ALWAYS ACT WITH HONOR AND INTEGRITY
- ENCOURAGE OUR PEOPLE TO GROW IN CAREER, FAMILY, AND COMMUNITY