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LINEAGE CAPITAL, LLC

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*Partnering with owner-managed and family-controlled businesses*

*Lineage Capital is a Boston-based private investment firm with an exclusive focus on owner-managed and family-controlled businesses. Our unique partnership model enables owners to realize substantial liquidity at closing yet retain board control and a meaningful investment in their companies.*

## INVESTMENT CRITERIA

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Lineage Capital has a narrow focus on owner-managed and family-controlled businesses, so we are open-minded about the industries and types of companies in which we invest. We seek new partnership investment opportunities that meet our fundamental criteria:

- Owner-managed or family-controlled businesses headquartered in North America
- Management team with desire to collaborate on creating value
- EBITDA of \$4 million or greater, enterprise values of \$20 million - \$150 million
- Strong management team with plan for continued growth and desire for meaningful ownership stake
- History of stable cash flows
- Defensible market position
- Favorable industry dynamics
- Diversified customer base
- Identifiable, realistic growth opportunities

## SAMPLE SITUATIONS

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### **Asset Diversification:**

Shareholder is passionate about the business and its future but wants to diversify net worth and lead the business while retaining control and a large ownership position.

### **Diversification with a Shift in Responsibilities:**

Shareholder is passionate about the business and its future but desires a change in personal responsibilities; wants to diversify net worth and retain a large equity stake and control.

### **Cash Out Inactive Shareholder:**

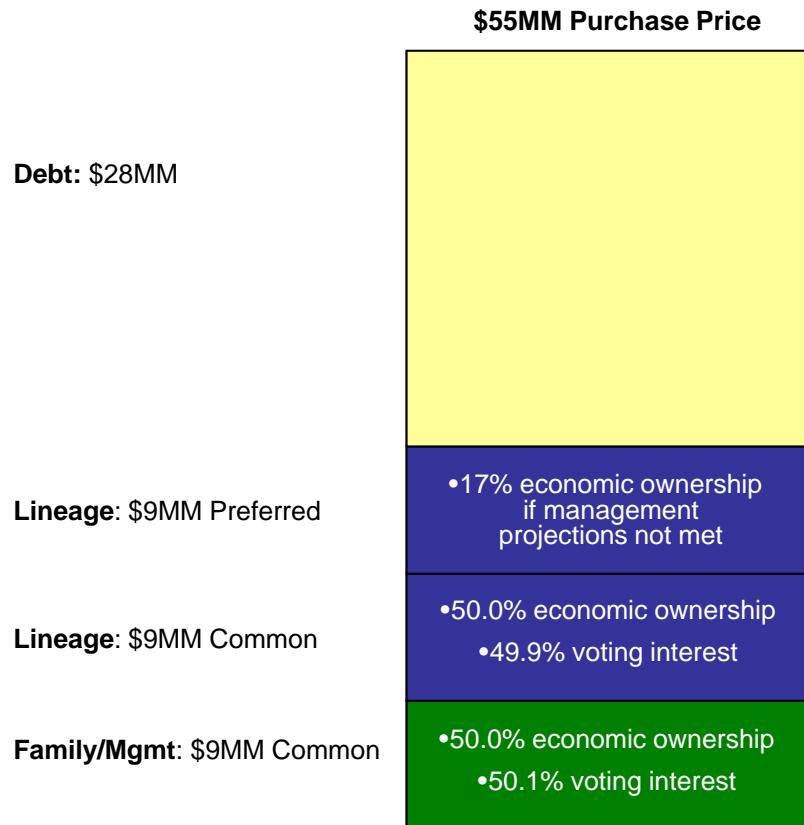
Management shareholders seek to provide inactive or retiring shareholders with liquidity while maintaining control of their board of directors.

### **Generational Transition:**

Senior family member seeks to achieve personal liquidity and facilitate estate planning while transitioning leadership (including control of the board of directors) and economic opportunity to the next generation.

## TYPICAL INVESTMENT STRUCTURE

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## BENEFITS OF LINEAGE PARTNERSHIP

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- ❑ Owners receive up to 80% of company value at closing and achieve asset diversification
- ❑ Original owners and management team retain up to 50% ownership
- ❑ Original owners retain control of the Board of Directors and Lineage cannot “flip” the business
- ❑ Post-transaction company has lower leverage than is typical of private equity investments, giving management greater operating flexibility
- ❑ Original owners / management gain an experienced partner to support accelerated growth of the business

## FOR INTERMEDIARIES

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We rely heavily on our relationships with a broad range of intermediaries to introduce our unique investment approach to business owners. We are discrete and maintain complete confidentiality with regard to any discussions. Whether a transaction is driven by a desire for diversification, the buyout of a business partner or family member, or a need to partner for growth, we take time to understand the shareholders' key issues and create a structure that addresses them. Our seasoned investment team will dedicate the resources necessary to pursue potential investments that fit our focus.

Intermediaries choose Lineage because:

- Our differentiated approach complements their clients' needs and desires
- We are responsive
- We are clear about our level of interest
- We pay customary finder's fees
- We complete investments in a timely manner by using less leverage than is typical of private investment firms
- We have clear and straightforward negotiations

## FOR OWNER-MANAGERS

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Our investment model enables owner-managers to access our resources and expertise while retaining board control. We view our role as active board members who leverage experience and resources to promote long-term growth, and understand that people, culture and numerous other factors are critical to the success of every company.

We have successfully assisted our partners with their development through:

- Acquisition strategies and execution (target identification, prioritization, outreach, negotiation and financing)
- Customer introductions
- Organizational enhancement and talent recruitment
- Facilitation and/or refinement of strategy development
- Goal setting advice
- Marketplace intelligence gathering
- Succession planning
- Board member recruitment
- Introductions to subject matter experts and specialized consultants