



HALSEY LANE

HOLDINGS, LLC

A Unique Financial and Management Advisory Services Firm

Halsey Lane was founded to fill an urgent and unmet need. There were several thousand corporate bankruptcies as a result of the Great Recession, and another \$4+ trillion of corporate debt is scheduled to mature by 2022. As a result, a new type of equity owner is emerging: the lender-turned-unintended-owner (the “Unintended Owner”). Unlike speculative investors who actively seek to become equity owners, Unintended Owners are lenders whose original expectation was debt repayment. During a restructuring process, companies may become jointly owned by a disparate group of former lenders. Often, there is no majority equity owner, which compounds an already complex situation. Many of these companies continue to underperform because operational issues were not addressed while their balance sheets were being restructured.

Point of View

The goal of Unintended Owners is to create and pursue an exit strategy that leads to an acceptable financial recovery as quickly as possible. However, most restructuring professionals disengage once the company emerges from bankruptcy, leaving a gap in strong deal leadership post-restructuring. Halsey Lane believes that the restructuring process does not end until Unintended Owners get their money back. Halsey Lane has the experience and tenacity to drive toward an above-market return within a defined timeframe for such owners. Optimizing recovery for Unintended Owners is a focused, detailed and full-time effort that involves partnering with new owners and management to help the company achieve its full potential. Management teams (even excellent ones) are often overwhelmed by the need to interface with multiple new owners, prepare the company for and oversee an exit process to repay the owners, and simultaneously manage a business that still may be challenged.

The Board Plus Model

Conventional boards of directors provide governance for owners, but rarely provide the day-to-day involvement required to efficiently and materially improve the company and to plan and execute an optimal exit process. To address this issue, Halsey Lane has developed its **Board Plus** model, through which the Halsey Lane team augments a traditional board structure with hands-on oversight, operational expertise and capital markets knowledge, in addition to optional board representation by one of its professionals. Halsey Lane is also able to complement its Board Plus model with investment capital provided by leading private equity firms and other sources due to the its professionals’ proven track record of significant value creation in past transactions. Such new capital can be used for much needed liquidity to support the strategic and operational initiatives of newly restructured companies, as well as to buy out minority investors who do not wish to own reorganized equity.

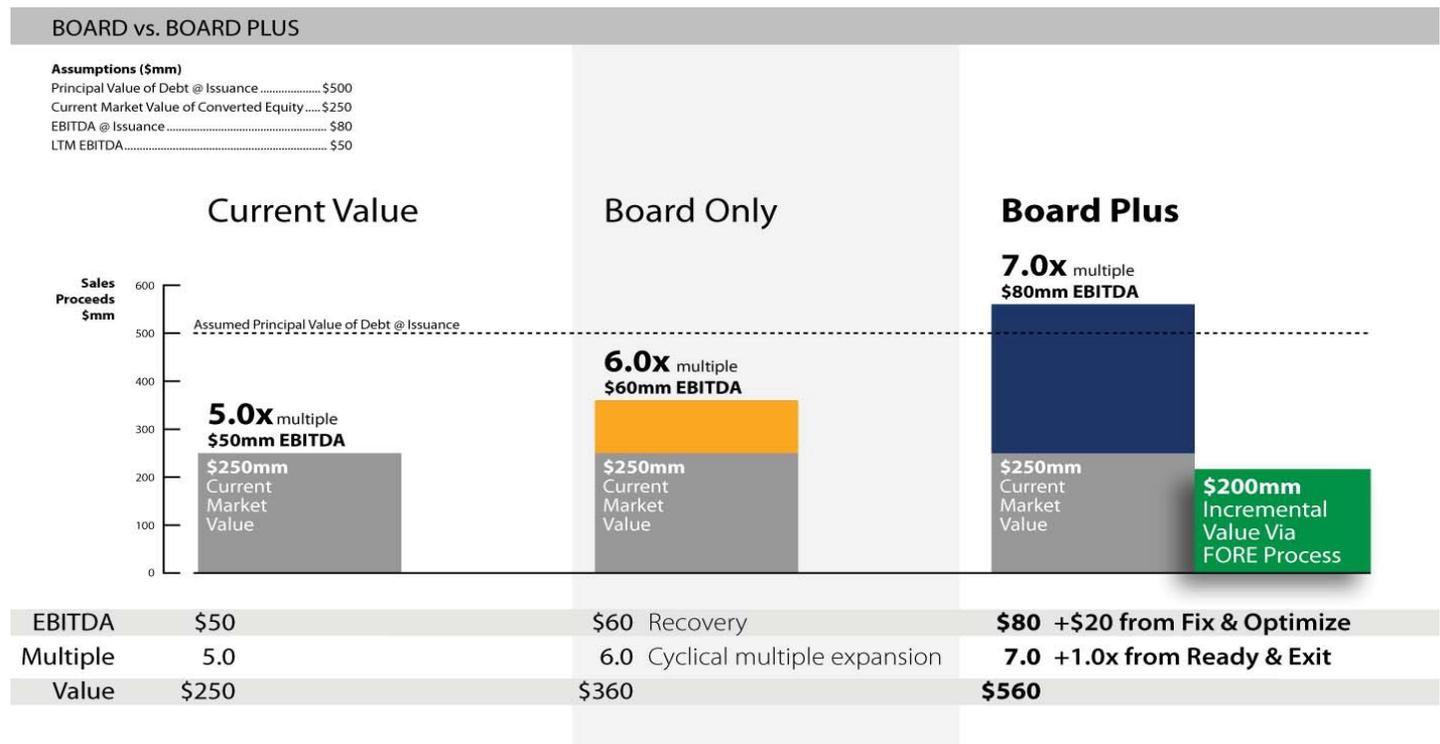
The FORE Process

Halsey Lane brings complementary expertise in private equity, turnaround advisory and crisis management, which creates the potential for significantly higher returns. These returns are generated by our proven **FORE** process:

- Fix:** Take immediate steps to halt and reverse declining performance
- Optimize:** Increase EBITDA thru cost cuts and revenue enhancement
- Ready:** “Package” the company for an exit process
- Exit:** Oversee exit process to maximize enterprise value

Beyond Recovery—Board Plus Targets Above-Market Returns

The traditional approach taken by Unintended Owners has been to (i) sell the company or their minority equity stake and accept the current value or (ii) appoint a new board of directors with the goal of some incremental value enhancement prior to exiting the investment (the “Board Only” model). Halsey Lane can create significant value by increasing EBITDA and attaining a higher exit multiple by applying its **FORE** process (as demonstrated in the chart below).



Halsey Lane has applied the services that form the core of the **Board Plus** offering for many companies including Medical Staffing Network Healthcare, Vertis Communications, FreightCar America, IWP International and Standard Steel. The intense oversight provided on behalf of these companies has led to significant value creation over a short timeframe, resulting in hundreds of millions of dollars in above-market returns for the owners of these companies.

The Team: Specialized, Complementary Expertise



Mark Dalton
Managing Principal

*Distressed Private Equity,
Leveraged Finance &
Restructuring Advisory*

Mark Dalton has years of experience, encompassing sourcing, diligencing and actively managing private equity investments, complemented by extensive restructuring, leveraged finance and capital markets expertise. Prior to forming Halsey Lane, Mark was a managing director focused on private equity within the U.S. Debt Strategy at Avenue Capital Group, a firm that manages approximately \$10 billion of capital focused on distressed and undervalued debt and equity opportunities. He was previously managing director of Trimaran Capital Partners, a \$1 billion private equity fund (affiliated until 2006 with CIBC World Markets), where he oversaw several highly successful transactions in the transportation industry. Mark has served on the board of directors of Panavision, Medical Staffing Network Healthcare, Standard Steel, Vertis Communications, Hyde Park Acquisition, Accuride Corporation and FreightCar America.

Mark received his B.S., *magna cum laude*, from the Wharton School of the University of Pennsylvania and his M.B.A. from the Kellogg School of Management of Northwestern University, where he was an Austin Scholar.



Alex Sorokin
Senior Advisor - Operations

*Interim Management,
Operational Improvement*

Prior to joining Halsey Lane, Alex Sorokin was a managing director with Zolfo Cooper LLC for over 25 years, serving as Interim CEO or chairman for seven companies and chief restructuring officer / crisis manager or advisor on more than 40 large and complex operational and financial restructurings. His most recent assignment was as interim CEO for Vertis Communications, where he was retained by Mark Dalton. Alex has experience in a wide range of industries and is expert in business stabilization, profitability enhancement, refinancing, financial restructuring and asset sales for companies in and out of Chapter 11. He has extensive experience in Europe and China, and is highly knowledgeable in issues related to supply chain management. Alex is currently serving as Interim CEO for ENER1, Inc. on behalf of his firm Sorokin & Associates. Alex served on the boards of GRT Mobile Solutions, Cella Energy, Pacific Ethanol and Medical Staffing Network Healthcare, where he also acted as Interim CEO.

Alex graduated from the Johns Hopkins University with a B.A. in Economics.

For more information, contact:

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