

September 21, 2009

Confidential Retained Search Assignment–S#984

**Equity Position: PRESIDENT and CEO
(Investment Required)**

Client: BOSTON BASED MULTI STATE ANSWERING SERVICE COMPANY

Company Description

Our investor client's portfolio company operates a network of telephone answering services that provide 24 hour messaging for medical offices and practices and other businesses that require an answering service. The company provides its customers with high quality messaging services and live answering 24/7 or whenever needed. The company has locations along the East Coast and in Texas, and uses the most advanced shared telephone switches and systems across its network to provide timely service while optimizing agent capacity. Customers are predominantly medical professionals and also include property management, oil service and delivery, funeral homes and other businesses that require 24/7 answering and messaging services.

Opportunity

Our MA client invested in this answering service one year ago and has made five acquisitions to create what is today one of the leading players in this small, highly fragmented, niche of the teleservices industry. The shareholders' goal is to grow the company aggressively through multiple acquisitions over the next few years.

During the first year, the company completed the initial acquisitions, integrated them onto one telephone system and one billing system, and created a centralized financial function. Now, having solidified the operational platform, the company is seeking to build out its management depth to support rapid growth through the acquisition of more small answering services over the next few years. The shareholders' goal is to capitalize on the fragmented industry and lack of professional buyers with capital to grow the company aggressively through acquisitions over the next few years.

With strong execution and management, the shareholders believe the company can become a \$4 – \$5 million cash flow business and either exit to a larger player or investment firm, or continue to grow using internally generated cash.

President & CEO Position Summary

The President & CEO position represents the opportunity as an equity participant to join a very profitable service business that is rapidly expanding through acquisitions. The President must be someone who can provide very clear management and leadership of all functions of the business while, at the same time, integrating newly acquired answering services. As this is a people oriented service company, he/she must clearly communicate a culture that can connect to promote consistent service throughout the company and that will also

support the development of good supervisors and managers from within the organization.

Objectives of the President &CEO Position

- 1) Actively manage and coordinate all functions of the business including General Managers, Training, Finance, IT and Sales and clearly communicate direction to all functions.
- 2) Develop a corporate culture that promotes the delivery of quality answering services by lower level agents, and that can be spread to newly acquired services. Clearly communicate throughout the organization the objectives of the business
- 3) Achieve 5% or better *net* new account growth on a base of approx 3000 accounts (150 per year, 12.5 per month)
 - a. Manage a small sales organization to: follow-up on calls from Web-site hits and promotions; pursue local accounts through cold calls and follow-up; and pursue larger regional and national account opportunities
- 4) Absorb 4 – 8 small acquisitions per year
 - a. Coordinate the integration of acquisitions into the network of answering services
 - b. Develop an organized acquisition pipeline to identify and evaluate new acquisitions in new markets, as well as small adjacent services that can be tucked into existing services.
- 5) Achieve \$4 – 5 million in Cash flow (EBITDA) in next 2 years from 2MM at 12/31/09.
- 6) Develop yearly operating and capital budgets for review and approval by the Board of Directors.
- 7) Implement processes where necessary, move / combine locations when appropriate and manage process of shifting acquired companies' systems, to client company's telecom, financial and network systems.
- 8) Insure appropriate steps are taken in a timely manner to correct unsatisfactory situations.
- 9) Work closely with and maintain a positive relationship with company's owners/board by involving them in all key or strategic decisions.

Qualifications of the President &CEO Position

Management A proven manager who understands a service business, and can drive the organization to provide consistent answering services while managing a rapidly growing "roll-up" making 4 – 8 acquisitions per year.

Experience working with lower level employees or managers, and building culture of management development from within the organization.

Experience managing a disparate organization with multiple locations. Ability to manage and motivate local General Managers and provide guidance and processes to make them effective.

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- Integration Ability to manage the process of integrating newly acquired answering services into our group.
- (i) Integrate managers and agents of new small services into corporate culture and processes (where necessary).
 - (ii) Implement processes where necessary.
 - (iii) Move / combine locations when appropriate.
 - (iv) Manage process of shifting to our telecom, financial and network systems.
 - (v) Win over and manage GM's who worked for independent or absentee owners.
- New acquisitions Ability to drive a growth by acquisition strategy while still managing the company.
- (i) Optimally has experience in a consolidation or "roll-up" situation.
 - (ii) Integration of acquisitions.
 - (iii) Introduce benefits of our culture to acquired services without jeopardizing the customers acquired – 6 times per year.
 - (iv) Financial acumen to interpret additional benefit or flaws of each acquisition.
 - (v) Identify acquisitions in adjacent markets and new regions.

Compensation, Stock Purchase & Stock Option Information

Salary range is to \$165K plus a bonus potential of 0% to 30% based upon achievement of financial objectives.

Purchase Equity Plan requires \$50,000 investment for approximately 1.0% of client company common stock.

Stock Option Plan consists of earning 4.0% of company stock vesting over 5 years for a nominal purchase amount.

There is a Medical Plan and Group Life insurance. Relocation assistance is available.

Philosophy of Private Equity Ownership

The philosophy behind these equity opportunity plans is straightforward: The owners of this portfolio company want management and more importantly the CEO, to be their partner, motivated by the same things they are, without any inherent conflicts. Our private equity owners want the CEO to have money at risk as they do and to have a large incentive (even greater than theirs on a return basis) if things go well.

PLEASE NOTE THE RESUME SUBMITTAL INSTRUCTIONS:

If you qualify for this Investor President & CEO position, EMAIL your resume in confidence to S984@gilreathsearch.com, or FAX your resume in confidence, C/O S984 Investor President & CEO Search to 1/978/287/4431 or US Postal Mail your resume in confidence Attn: Jim Gilreath, President, C/O S984 Investor President & CEO Search, GILREATH CONSULTANTCY. PO Box 310, Concord, MA. 01742. CONFIDENTIALITY ASSURED. Web Site: <http://www.gilreathsearch.com> NO PHONE CALLS PLEASE!!