



## 2010 was a productive year for LLM Capital Partners on many fronts.

LLM realized on two of its investments in 2010. First, LLM sold its common stock position in Kennedy Wilson (NYSE:KW) but retained its warrant position in the company. Secondly, in December 2010, Atkins Nutritionals was sold to Roark Capital Group, a Georgia-based private equity firm, creating a successful realization for LLM just 18 months after its original investment in the company. As a result of these exits, LLM has realized or partially realized on all investments made prior to 2010 a combined gross IRR of 44% and returned 85% of invested capital as of December 31, 2010.

In 2010 and Q1 2011, LLM made five new investments. In March 2010, LLM invested \$8.0 million in Spectrum Clubs, Inc., an operator of 23 upscale athletic clubs in California and Texas. LLM's investment enabled the company to reduce borrowings and positioned the company for growth. In November 2010, LLM Invested \$6.6 million in L&L Acquisition Corp. L&L, along with our partner John Shermeyen, who was formerly CEO of LogistiCare (a prior portfolio company), simultaneously completed its \$40 million initial public offering. L&L is a newly organized special purpose acquisition company ("SPAC") formed for the purpose of acquiring a company in the healthcare industry. L&L is similar to Prospect Acquisition Corp., LLM's prior SPAC investment, which acquired Kennedy Wilson in November 2009. In January 2011, LLM invested \$8.0 and led an investor group, including Prudential Capital Group and company management, to acquire the assets of Hybrid Design Associates, a Tempe, AZ – based specialty manufacturer of printed circuit board assemblies used in high shock and temperature environments, such as oil and gas drilling. In January 2011, LLM also committed to invest up to \$10 million in Aligned Asset Managers, LLC, a Stamford, CT – based company focused on building a leading multi-strategy asset management platform through substantial equity investments in firms across alternative and traditional asset classes. Aligned is led by David Minella, a 35-year financial services industry veteran, who was formerly CEO of Prospect Acquisition Corp. and Value Asset Management (two prior portfolio companies) and the investment is lead by GTCR, a leading private equity firm. Finally, in February 2011, LLM invested \$7.5 million in Vology Data Systems, a Tampa, FL – based value added reseller of new and pre-owned networking and telecommunications equipment.

In addition, last summer David Hetz joined LLM as a senior advisor. As a founder of Cutlass Capital, LLC, a venture capital firm focused on healthcare services and medical technology companies, and a former co-head of investment banking at Robertson Stephens & Co., David brings to LLM a wealth of contacts and greater reach into the healthcare industry.

In 2011, LLM continues to seek opportunities to invest \$5 to \$20 million of growth capital in middle market companies. In addition, LLM is actively involved in seeking target companies for its two platform investments, Aligned Asset Managers, LLC and L&L Acquisition Corp. Please see [www.llmcapital.com](http://www.llmcapital.com) for more details.

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