



Firm Overview

Bounds Equity Partners is a private equity investment firm that invests in well-managed, entrepreneurial businesses with EBITDA in excess of \$1 million. The principals of BEP have partnered with entrepreneurs to take their businesses to the next level since 1988. We invest in good businesses and help management build larger, more successful companies. Nearly all of our investment transactions have been with private company entrepreneurs seeking liquidity, who almost always have reinvested with us to share in the future value creation.

We are an experienced private equity group; we have invested in private equity for over 20 years and led three private equity groups – Heller Equity Capital Corporation, Allstate Private Equity and Goense Bounds & Partners – prior to forming Bounds Equity Partners. During that time the principals of BEP have invested in 45 companies. We currently manage over \$100 million in capital and have eight portfolio companies.

We invest across a variety of industries and have been particularly successful in building materials and services, business services, niche distribution and specialty manufacturing. We are accustomed to investing in companies which may have key man risk, incomplete management teams or lack some of the financial controls or systems that most private equity firms require. We bring the resources and the willingness to work through management to put both the people and processes in place which create a platform to accelerate growth through expanding sales channels, product lines and customer bases.



Investment Philosophy

Partners with Entrepreneurs and Management

Nearly all of our investment transactions have been with private company entrepreneurs, who almost always have reinvested with us to share in the future value creation rather than sell 100% of the company outright. The benefits that accrue to the selling entrepreneur as a result of our investment include: an opportunity to gain liquidity and diversification of personal assets while providing a vehicle for the entrepreneur to maintain a significant equity stake in the business for future upside, retain significant operating control, a reduced management role (only if desired), and the elimination of personal liability. Management always has a meaningful equity stake following our investment. We have a long-standing reputation for integrity and fair dealing and pride ourselves in creating a balanced approach which results in a fair outcome for all parties. We have developed effective working partnerships with entrepreneurs over two decades and understand the unique role a founder plays in a business. We also understand the critical role that a firm's culture has in the success of the business. Our goal is to maintain that culture and vision and provide additional resources for it to build upon.

Experienced, Value-Added Partner

Our expertise lies in our proven ability to transition entrepreneurial companies into professionally managed organizations. Our focus is on building the people and processes necessary to support a strategic growth plan. Working in partnership with management, which remains responsible for day-to-day operations and business decisions, Bounds Equity Partners principals seek to employ their experience and network to support the team's common goal. Our network, built through over 20 years of investing and 45 transactions, provides a broad group of executives that have collectively lived through most of the challenges facing growing firms. In addition, our staff (see biographies) can provide hands-on financial, analytical and process improvement tools and help to our portfolio companies.

Growth Focus

We begin by collaborating with management to establish a strategic vision and then we help build an execution plan around it. Part of the plan is to identify the resources that will be needed to execute the growth plan successfully. Often, these resources are resident in the business or within Bounds Equity Partners or its network. We focus our support of the management team in the areas of strategy, financing, executive recruiting, building and incentivizing management teams, Asian sourcing, acquisitions and the development of new revenue opportunities. We concentrate on revenue growth strategies that include new product development, new channels of distribution and diversification of the customer base. We look to sustainable growth in profitability as the primary value driver, through both organic growth and add-on acquisitions.



Investment Criteria

Company Characteristics

- Market/industry segment leadership or niche with defensible market position
- Usually operating profit margins of 10 percent or better
- Growth opportunities – internal or acquisition
- EBITDA in excess of \$1 million

Industry Focus

- Building Materials and Services
 - Contractors serving residential home builders, commercial maintenance or infrastructure needs
 - Manufacturers of value-added, non-commodity products for new construction and remodeling
- Business Services
 - Recurring revenue streams, scalable business models
 - Facility maintenance, equipment and data management, human resources outsourcing, value-added staffing
- Niche Distribution
 - Usually “large players in small markets”
- Specialty Manufacturing
 - Value-added, important to their customers, generally lower labor content

Investment Size

- Minimum of \$1 million

Control

- Required

Investment Horizon

- Minimum of five years, no required exit timeframe

Geography

- United States and Canada

BEP and Intermediaries:

- We gladly compensate intermediaries for closed transactions



Portfolio Investments

Building Materials & Services

Dixie Homecrafters, Atlanta, GA

Leading marketer and installer of residential rainwater gutter systems, windows, siding and insulation.
www.dixiehomecrafters.com

Norcraft Companies, Minneapolis, MN

The fifth largest kitchen cabinet manufacturer in North America. After increasing earnings over 400% and closing three add-on acquisitions, Norcraft was sold to a private equity group.
www.norcraftcabinetry.com

US Builder Services

Leading supplier of drywall, plumbing and electrical services:

- L&S Plumbing, Richardson, TX
- Capital Drwyall, San Dimas, CA
- Frye Electric, Charlotte, NC

Business Services

CrossCom National, Buffalo Grove, IL

Leading provider of maintenance and installation services for voice, data and POS systems for national retail chains.
www.crosscomnational.com

Plumbing Master Services, Riverside, CA

Leading provider of emergency plumbing repair services to restaurants, convenience stores and gas stations in Southern California.
www.plumbingmaster.com

Niche Distribution

Emess Design Group, Wexford, PA

Leading home décor company which designs, sources (Asian-manufactured) and sells lamps and lamp shades to Big Box retailers.
www.emessdesigngroup.com

Sportcraft, Mount Olive, NJ

The largest U.S. designer, marketer and distributor (Asian-manufactured) of home recreational sporting goods focusing on Big Box retailers and sporting goods superstores. After increasing earnings 250% through product line expansions, Sportcraft was sold to a private equity group.
www.sportcraft.com

*B*ounds Equity Partners

Specialty Manufacturing

Kirby Lester, Lake Forest, IL

Leading pharmacy automation company selling to retail pharmacies and pharmaceutical manufacturing companies.

www.kirbylester.com

Hollinee, Waco, TX

The largest U.S. manufacturer of pleated and glass air filter media used in residential and industrial filtration. After substantially increasing earnings, creating secondary manufacturing facilities for key product lines and substantially expanding product categories, Hollinee was sold to a private equity group.

www.hollinee.com



Our Team

Mark Bounds – Managing Director

Mr. Bounds is the Founder and Managing Director of Bounds Equity Partners, which he founded in 2008. Mr. Bounds is also a Managing Director at Goense Bounds & Partners, a private equity firm which he co-founded in 2000. GBP has invested in 10 platform companies and 22 add-on acquisitions. Mr. Bounds has served on the Board of Directors of numerous portfolio companies including Norcraft Industries, Pretium Packaging, US Builder Services, Sportcraft, Hollinee, Dixie Homecrafters, DBL Labs, Preferred Pipe, L & S Plumbing, Emess Design Group, Latite Roofing, Stein World, Kirby Lester and Plumbing Master Services.

Prior to 2000, Mr. Bounds was a Partner at Allstate Private Equity from 1996-1999. While at Allstate, Mr. Bounds invested in 10 transactions. From 1995 until joining Allstate Private Equity, Mr. Bounds was the Vice President of Corporate Development for GAF Corporation, the largest roofing company in North America. He was a co-founder and Principal of Heller Equity Capital Corporation from 1988 to 1995. Before joining HECC, Mr. Bounds was with Heller Financial's leveraged buyout senior debt lending group from 1985 to 1988. Mr. Bounds graduated with honors with a BA degree in Marketing from the University of Iowa and earned an MBA from the University of Chicago.

Stuart Skinner – Chief Financial Officer

Mr. Skinner handles all tax and accounting matters related to Bounds Equity Partners and its portfolio companies. He also manages the information technology and administrative matters of the partnership. Mr. Skinner is also the controller for Goense Bounds & Partners. Prior to Bounds Equity Partners and Goense Bounds & Partners, he worked with Mr. Bounds at Allstate Private Equity as the controller of their \$500 million portfolio. Mr. Skinner graduated from Northeastern Illinois University with a BS degree in accounting and is a CPA and a CFA. Mr. Skinner assists portfolio companies with accounting issues and financial reporting, human resources, insurance, payroll and budgeting.

Andy Reed – Operating Partner

Mr. Reed is an Operating Partner and advisor to the firm. Mr. Reed has been the CEO of U.S. Builder Services, a holding company for three residential construction contractors, since 2005. Prior to joining USBS, Mr. Reed was President of Skil North America and Vice President of Bosch Tools and Services, both units of Robert Bosch. He previously worked at the SimplexGrinnell unit of Tyco, the Amerock business unit of NewellRubbermaid, Rust-Oleum Corporation, and Quaker Oats. He graduated from Principia College with a BA degree in History and earned an MBA from Indiana University with an emphasis in marketing. Mr. Reed assists portfolio companies with sales and marketing strategy, building sales leads and sales forces, quoting and estimating processes and labor process efficiency improvements.

Matt Miazga – Senior Associate

Mr. Miazga joined Bounds Equity Partners as a Senior Associate in 2008. Prior to joining the firm, Mr. Miazga was with Goense Bounds & Partners, a private equity firm he joined in 2006. His responsibilities include analysis of investment opportunities, the acquisition and monitoring of portfolio companies, and market/industry research. Mr. Miazga formerly worked as an investment banking analyst with Goldman Sachs & Co. and Keefe, Bruyette & Woods. Mr. Miazga graduated from the University of Illinois with a BS degree in Finance. Mr. Miazga assists portfolio companies with management information tools, inventory planning and analysis tools, sales pipeline tracking and personnel efficiency tools.



Contact Us

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Directions

From O'Hare

Proceed out of the airport and continue onto I-190 East. Take the exit for I-294N/I-90W, (Milwaukee/Rockford) on the right. (*Toll required for some segments.*) Proceed north on I-294 for approximately 13 miles and exit at Lake Cook Road. Turn right (east) onto Lake Cook and proceed approximately 4 miles to U.S. 41-N (ramp on the left). Go north on Route 41 approximately 2 miles to Central Avenue. Go east on Central (0.5 miles) to Green Bay Road. Turn left onto Green Bay. Go one block and turn right onto Elm Place. We are located above *The Shops on Elm* which is in between Second Street and Sheridan Road.

From Chicago

Take the I-90/I-94 north. When I-90 splits off towards O'Hare, continue north on I-94 (this becomes the Edens Expressway). As you continue north, the Edens becomes Route 41 and I-94 splits off to the right. Stay on Route 41. Exit Route 41 at Central Avenue. Go east on Central to Green Bay Road. Turn left onto Green Bay. Go one block and turn right onto Elm Place. We are located above *The Shops on Elm* which is in between Second Street and Sheridan Road.