



Mezzanine Debt Characteristics and Market Update

Mezzanine debt is a long-term private debt security in the middle of a company's capital structure that is senior to equity and subordinated to senior debt. It is often used in LBOs, recapitalizations, refinancings, acquisitions and growth financing.

Characteristics

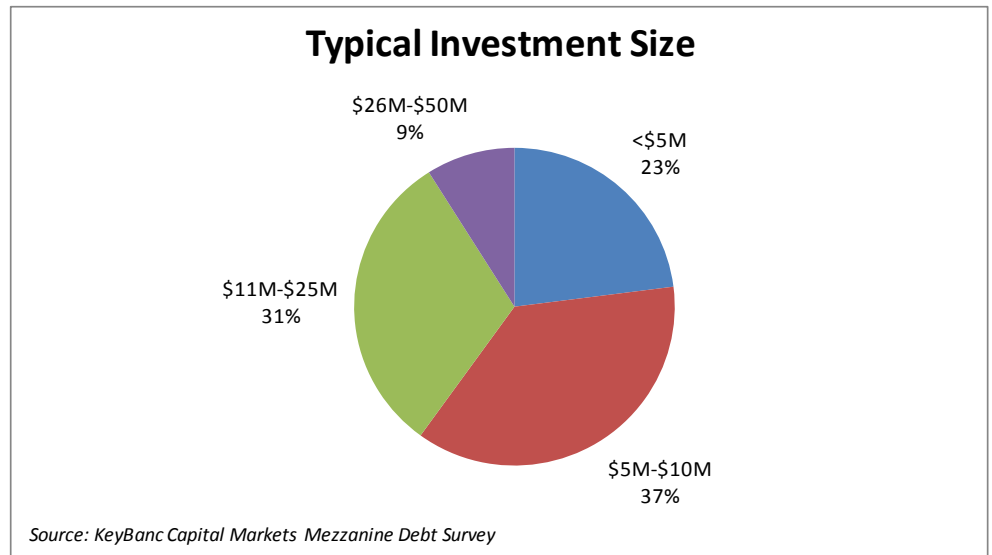
- Used when a company's debt capacity exceeds senior bank debt
- A less expensive alternative to equity
- Contractual repayment terms with final maturity typically five to ten years
- Protective maintenance, incurrence and mandatory repayment covenants
- Usually unsecured or structured with a second lien position
- Analogous to high yield debt in the capital structure
- Illiquid secondary market

Corporate Fuel is a leading New York City based investment bank that provides advice and capital to middle market companies through three complementary businesses: Corporate Fuel Advisors, a full service investment banking firm that provides M&A, capital raising, consulting and talent services to small and medium sized companies with revenues typically between \$10 million and \$200 million; Corporate Fuel Securities, a FINRA registered broker-dealer specializing in private placements of debt and equity securities; and Corporate Fuel Partners, a private equity fund formed to make acquisitions of, or equity investments in, established companies with strong prospects.

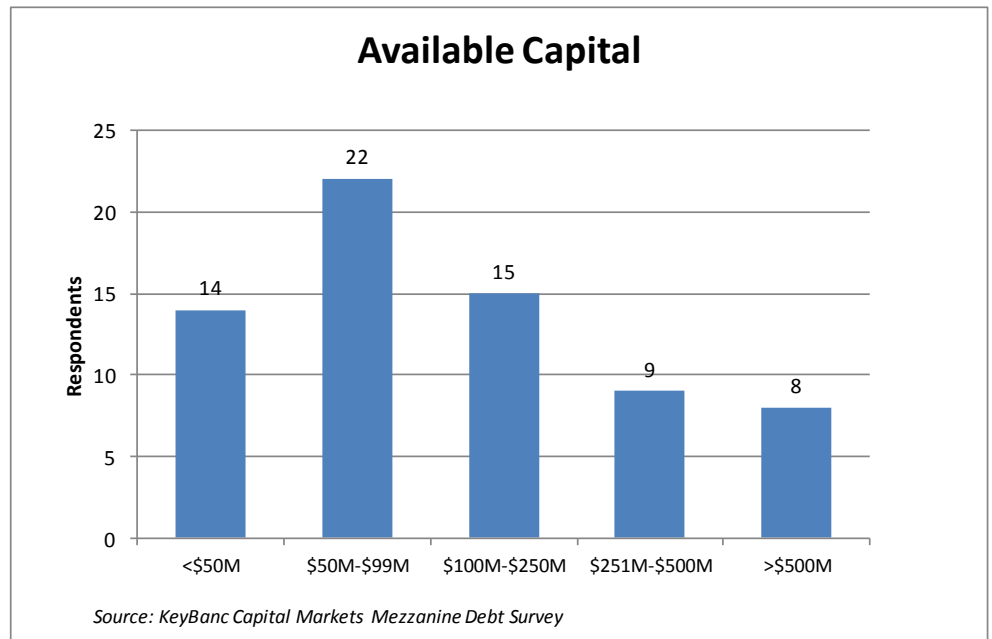


Market Update

Majority of mezzanine investments made in 2010 in amounts less than \$10 million



A substantial amount of invested capital is available



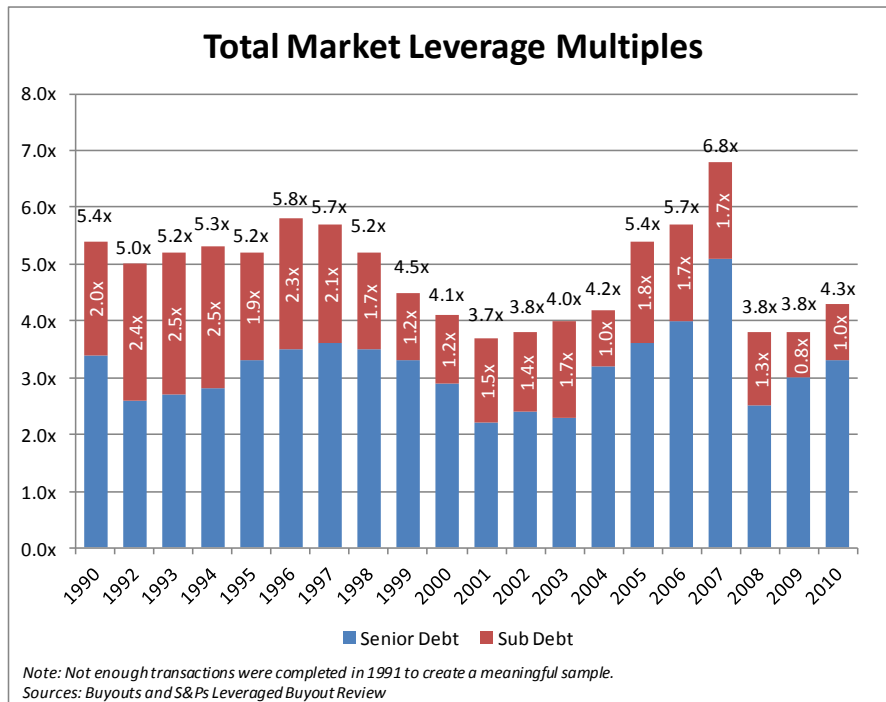


Fund Year	Mezzanine Market IRR		
	2009	2010	2011
Average IRR	19.60%	19.60%	18.40%
Median IRR	19.00%	19.40%	18.00%
5-Year Treasury	1.90%	2.40%	2.10%
Average Spread	17.70%	17.10%	16.30%
Median Spread	17.10%	17.00%	15.90%

Increased competitiveness in market...

...average IRR sought by investors declining and spread versus Treasuries approximately 16%

Source: KeyBanc Capital Markets Mezzanine Debt Survey



Credit appetite recovered to levels of leverage that are sustainable and reasonable