Searching for a Search Fund Structure

A student takes a tour of various options

A. J. Wasserstein

Before entering the Yale SOM (School of Management), James Guba (SOM’18) had thought about becoming an entrepreneur. He did not have a specific idea to build a business around, but he did aspire to take charge of an organization and grow it. At Yale, Guba discovered an entrepreneurial niche called “search funds” that would allow him to acquire and lead a company that he had not built from scratch. But as Guba discovered while taking Entrepreneurship Through Acquisition, not all search funds are structured in the same way. His instructor encouraged Guba to meet with search fund entrepreneurs who had taken different paths to building their funds.

Wasserstein’s assignment

James Guba had gained valuable business experience even before enrolling in the Yale School of Management. After graduating from college, Guba became a consultant for a prestigious, international consulting firm. He specialized in operations and the job exposed him to a wide array of businesses. Guba enjoyed examining the challenges and opportunities facing his clients, but he yearned to be an entrepreneur and a leader, not just a professional who parachuted in and dispensed advice without any control or sense of ownership.

While at Yale SOM, Guba took several courses on entrepreneurship and found those classes captivating and enjoyable. Guba did not have a specific idea for a startup business, but he was very attracted to running and growing a company. He was frustrated by the thought that the road to leading his own business was predicated on first discovering a brilliant, innovative, and disruptive idea.

In the Spring 2017 semester, Guba enrolled in MGT 671, Entrepreneurship Through Acquisition, and discovered an entrepreneurial niche called search funds. Search funds were organized by freshly minted MBAs organized to find a business to acquire and operate with the financial support of experienced investors, entrepreneurs and business operators. Search fund organizers could earn a material equity position by closing a deal, operating the business and growing the value of the enterprise. The search fund concept seemed to de-risk the entrepreneurial experience somewhat by focusing on a going concern that had a proven track record and positive cash flow.

Guba was excited by the idea of search funds and sought out the instructor for MGT 671, A. J. Wasserstein. Guba was hoping that Wasserstein would outline the next steps he should take to establish his own search fund. Wasserstein demurred, noting that search funds could differ on how they were funded and whether the managing partner worked alone or as part of a team.
Wasserstein offered to set up meetings with four recent business school graduates who were search fund entrepreneurs. Each had taken a different path in setting up their search funds, giving Guba exposure to a wide range of options.

Jose P. Moreno – A funded, international search without a partner

Guba first met with Jose P. Moreno (SOM ’17) (see Exhibit 2 for resume). Moreno started by explaining what he did before coming to Yale,

I have a pretty entrepreneurial background. I started a taxi business in Colombia and that grew to 74 vehicles in three cities in Colombia and 120 vehicles in Panamá. When I was an undergraduate at Tulane, I started a small translation service that focused on U.S. prisoners calling Latin American countries. I also invested in and helped a bio-pest agricultural company.

At SOM, Moreno hatched a plan to build a pool of capital and invest in a business with the aim of running it. A classmate told him that what he wanted to do was called a search fund. Having put a name to the concept, Moreno attended an international search fund conference in Barcelona, Spain and was hooked,

I left the conference excited and committed to the idea of doing a search in Colombia after graduation. Two things really appealed to me. The first is that I get to create value providing financial and business advice to very simple companies. At the same time, I’m being mentored by very sophisticated people, professionals from the US, Canada, and Colombia. People who have a lot of experience and can advise me on how to build a sophisticated structure around a simple business.

Moreno was so excited about the idea, he was willing to fund his own search. However, he really hoped to find about 15 investors (which is typical among search funds) to back his fund. For Moreno, the value of having investors was more than financial,

For me, it was very important to enlist investors for the search stage. I’ve seen the picture before; I know what works and what doesn’t. Getting committed investors engaged in the search is a huge plus. Sure, you can always ask smart people for advice. But it’s another thing to look to them when they have invested some capital and are my partners. I think there are a lot of advantages in having people around you, having an investment committee of sorts. They give you feedback and force you to be accountable.

To Moreno, having 15 people give their viewpoints seemed more palatable than joining an incubator. He argued that being in an incubator is like having one investor and a boss,

In an incubator, ultimately one or two people make the decision. I think one of the things that I’m looking for here is independence, and if I’m sitting in an incubator, I see the guy running the incubator pretty much as my boss. I depend on him and am in daily contact with him. But one of the reasons I’m doing this is because I want to be the guy running the boat, I want to be the guy making the decisions.
Nonetheless, Moreno conceded there were attractive features to incubators as well,

Incubators can help diversify risk if they do profit sharing, or they do some, sort of equity sharing. There also is the ability to collaborate. The incubators have a space so searchers are not physically solo, the incubators sometimes provide interns and you can easily find legal and financial advice.

Ultimately, Moreno found that there were no incubators that fit his search parameters,

I did talk to a few incubators and found their models to be interesting despite the arguments mentioned before. It’s just very different to what I was looking for and they do local searches only. So, it wasn’t even a question for me. In addition, they won’t do anything in Colombia or abroad, at least not yet.

Moreno also rejected doing his search with a partner,

First off, a partnership splits into the upside and it doesn’t mitigate the downside. Then two, I think this is like a soccer team. You can’t have two people running a soccer team. It’s very difficult to make decisions… When you work with people, there needs to be a clear subordination between two people. I think it will be better to hire a person, if I need additional skills in my search or in the operating phase. I will have an option pool for the employees in case I need to hire somebody.

Moreno hoped to earn approximately 25% of the equity in his search project. Besides, he also invested in his own fund, taking a portion of the equity just like his other investors. According to him, having some skin in the game would send a strong signal to investors and keep interests aligned. He named his search firm Pivot Capital Fund² and imagined a bright future,

In five years, I hope to have grown this company as the CEO and will start to look for an equity event. In ten years, I am hopefully running a fund or actually starting to invest in my own private equity. Basically, the way I see it, the $400,000 I just raised to fund the search is really several million dollars that we’re going to invest when we do the acquisition, and that will keep me busy for the next five, seven years. If I do this successfully, I’ll hopefully go for the next level, and I don’t know if that’s going to be fifty million or a hundred million, or even a hundred and fifty million, but that’s how I see myself in ten years, not buying one, but five companies.

Judd Lorson – An incubator search fund

When Guba visited with Judd Lorson (SOM ’17) (see Exhibit 3 for resume), Lorson talked about how is view of entrepreneurship evolved,

I served in the military prior to business school and while it was a valuable experience the thought of going back to another large organization as a cog in the machine had little appeal. But as a startup founder during business school, I found that starting from scratch was also not a good fit for my personality.

Nonetheless, he was still interested in entrepreneurship and began exploring a search,

Despite my military training, I always walked to the beat of my own drum and was never much of a “yes sir,” “no sir,” suit and tie kind of guy. A traditional career path felt risky from a personal fulfillment perspective. I spent my summer working at a real estate development firm and it felt
very comfortable. I was learning, but it didn’t feel like I was stretching myself. Finally, although a more traditional job might seem to promise a steady paycheck, from my perspective that did not offer a fair tradeoff. Certainly, the opportunity to reap an economic reward for myself and my family through equity ownership was appealing but not the primary deciding factor. A search just felt like something that I had to do.

Lorson initially thought about traditionally funded and self-funded searches.

With some money in the bank and my wife Lindsay working a relatively well-paying job, we felt that a self-funded search would be viable. I also considered a funded, partnered search but quickly abandoned that idea after the few individuals with whom I felt comfortable partnering with were not at points in their lives at which they wanted to launch into a search. In addition, after spending some time attending Entrepreneurship Through Acquisition (ETA) conferences and talking to investors and searchers I felt that the ETA space was experiencing some growing pains and that the investor base was evolving and expectations were changing. I felt that I was not going to get the support that I needed as one of many searchers from a fragmented investor base – since most search fund investors have large portfolios of searches and operating companies.

After lots of soul searching, self-reflection and analysis, Lorson focused on joining an incubator,

I know I will be able to succeed as the leader, hustler, and thinker in a small business but I felt a bit like a fish out of water when it came to deal-making. Business school gave me some lenses, frameworks and analytical skills to evaluate small businesses but when I looked at myself in the mirror I knew I could benefit from direct access to folks with strong pattern recognition skills. I am also a team player and after talking to some of the self-funded searchers, the thought of going it alone was daunting. Certainly, the traditional route offers a higher degree of flexibility and autonomy but those were things that I was willing to sacrifice to be one of a handful of searchers with in-house access to investors, interns, and other pooled resources.

Lorson was particularly attracted to the Search Fund Accelerator (SFA), a Boston based incubator3,

At Search Fund Accelerator (SFA) I felt like the incentives were aligned between the searcher and investors and I had the best chance to get a quality at-bat as a CEO. SFA felt like a family with everyone working toward a common goal - acquiring great small businesses. I felt like the committed pool of capital behind each cohort at SFA would allow my straight up personality to shine when I speak to business owners, knowing that I do in fact have the money to buy their business.

Getting into SFA was not easy, as the incubator is highly selective. Lorson noted,

The process of getting into SFA was a long one. It took several months and many hours of conversations with Tim Bovard, Jeremy Silverman and many others. At the end of the process, it felt like a good fit on my end and I was fortunate to be selected. We had to get comfortable with working together for the next ten years so the length of the process served a valuable purpose for all parties involved.

Lorson’s wife, Lindsay, had been a big part of his post-graduation considerations. He offered,

Lindsay could not be happier for me or more supportive. After some long conversations of putting it all on the line with a self-funded search and the likely personal guarantees for acquisition debt,
the accelerator model felt like the right choice from an emotional and risk perspective. As compared to a traditional career, from her perspective, SFA feels like a low-risk opportunity to take two years to look for a business in a fully supportive environment at the end of which we would be no worse off since I would be getting a regular salary at SFA.

Lorson’s long-term plans revolve around his relationship with SFA,

In five years, I want to be the CEO of a small business that I am excited about and that is consistently growing year over year. I want to have the flexibility to control my life, spend time with my family and pursue passions outside of work like running and traveling. In ten years, I hope to experience a liquidity event that creates a reasonable positive economic return for both myself and my investors. The fund offers 25% carry (1/3 at close, 1/3 over 4 years, 1/3 IRR performance) 2% is put into a "common" fund that will give me a piece of the 3 other cohort member deals

At that point, in my mid-forties, I intend to take some time off with my family to plan for the next step. I expect that I will consider conducting another search, seek an at bat as a CEO of a larger company or transition to the other side of the table as an investor. I have also thought about teaching or maybe even moving back to Pennsylvania to run the family farm. Part of the appeal of search is being able to have these aspirations with what I perceive as a reasonable chance of achieving them.

Tina S. Bowman – A solo, self-funded search fund

Guba met with Tina Bowman (a disguised name), a 2015 graduate of the Harvard Business School (HBS) (see Exhibit 4 for resume). Prior to coming to business school, Bowman had worked at New England Steel Company in Brockton, MA, a mid-sized business. At New England, she had the opportunity to contribute in many different functions and found that she valued the variety and impact of her efforts. Bowman envisioned doing something entrepreneurial after completing graduate school.

At HBS, Bowman’s interest in entrepreneurship was furthered by taking Professors Rick Ruback and Royce Yudkoff’s two classes that focused on small enterprises and how to finance, operate and acquire them. Bowman found Ruback and Yudkoff’s book, Buying a Small Business, a particularly helpful and motivating guide. Upon graduation, she launched a search fund she called Yankee Capital Search.

Bowman briefly considered enlisting a partner, but decided she would be better off alone,

I’m pretty independent and I tend to do things alone. When I heard about a search fund, I initially just assumed that I was going to do it alone. I thought about a partnered search, just to go through the mental exercise of considering it, because teams are certainly popular. I guess, the way I view this, it would be great to have a partner for the search itself but when I go to acquire a business, I want to be operating a business alone. People from HBS love to talk about co-everything, like co-presidencies, co-partnerships, but I think a business can be best run independently.

Bowman explained that it might have be nice to have a partner during the search phase, the first of the three distinct chapters in the search fund arc (searching and acquiring, operating and exiting). However,
because she was interested in buying a pretty small business, she didn’t need a partner to help manage the operation,

I thought most of the issues I saw doing this alone came from the search phase because that is where my biggest insecurity was. As far as operating a business, I didn’t really see a big downside and that’s mainly because of the fact that I always knew I wasn’t going to buy a very big company. If I was to buy a big company, I could see some benefit to having a partner, as there could be some specialization.

Bowman considered both a traditionally funded search and a self-funded project. One issue she wrestled with was having standby capital ready for an acquisition – a key selling point of the funded model. But in time, she rejected this rationale for a funded search,

I actually developed a very strong opinion about this. The way I saw it is I think that if you just look at a basic cost-benefit analysis, the traditionally funded route is horrible. I know that sounds extreme but I really, really feel that way. Especially now, the capital markets are so liquid, and it is easy to get financing when you are actually ready to buy a company.

As for advice, Bowman saw traditional, serial investors as a bit past their prime since they were typically no longer operators and had moved on to just investing. She argued,

The traditional investors are no longer searching or operating. I really didn’t see much benefit to their knowledge relative to the cost. From a qualitative and quantitative perspective, I saw very little if any benefit to going to these folks.

Bowman also believed that the traditional model led to a loss of control,

I do not want to have to answer to a group of investors who probably would not have an expertise in the niche company I am likely to purchase. I didn’t like the idea of having to go nationwide (a typical funded search requirement). I didn’t think I needed $400,000 (an amount that was usually raised to execute a search). And I didn’t like the idea of having to be forced to purchase something within a certain price range just to meet the investors’ IRR. Self-funding is complete freedom. I can go to any investor I want. I can look at any deal I want, I can go anywhere I want. I would hate spending one or two years of my life finding something I think is a great buy and then have investors say, whoa, whoa, whoa, we’re not so sure about that. That didn’t appeal to me at all.

She thought that one exception in the funded world would be her former professors, Ruback and Yudkoff, who periodically invested through their Double R investment vehicle.

The one exception to this would be Royce and Rick. If I would ever fund traditionally, I would a hundred percent go to them because they are the only example that I know of in a search community where they have very unique proprietary knowledge and it can add a lot of clear value.

Bowman looked to own 100% of the equity in her business. She planned to use some personal cash savings to fund part of the deal’s cash needs and then use investor funds for unsecured junior debt – which she can ultimately extinguish - and some senior debt too – possibly in a SBA form. Bowman cited a case study she read in business school, *Jim Sharpe and Extrusion Technology,* as a model to follow.
Kenny Stone - A traditional funded search with a partner

Finally, Guba met with Kenny Stone (see Exhibit 5 for resume). Stone came from a family of entrepreneurs and business owners. Despite doing some work in finance and investment banking earlier in his career, Stone knew that he too would become an entrepreneur. While at Harvard Business School, he wanted to build his skills and launch the next chapter of his career. In classes, Stone learned about the search fund model and decided that would be the vehicle to entrepreneurship. After graduation, Stone launched SL Group LLC. Stone was aware that there were several ways to process a search and he deliberately contemplated all of the various permutations. He spoke with advisors, professors, friends, investors and past search entrepreneurs. Stone first considered a self-funded search,

With the self-funded search, you have great flexibility. You are going out and finding a deal for the right-sized business for you. Only then, do you go to investors on the preferred and the equity component. Those are some of the positives in a self-funded project, but there are drawbacks too. A downside is that there is a level of urgency to find the business. Once you do a quality of earnings, it’s hard to say I don’t want this business and look at another opportunity. Since you are using your own capital, you can be pinned in quickly. I think building a search fund is about underwriting a great investment and a great business. So, I just would want to make sure that I am setting myself to be successful and not creating this artificial time clock that gets in the way of that.

Stone looked at the incubator model too. He liked some of the elements of that program but also saw limitations and constraints,

Incubators have a great upside in that it gets you up the learning curve of the search relatively quickly. I do think it’s an upside to have one investor with whom you can bounce ideas versus the traditional model where you have to almost herd cats, getting 15 different perspectives at the same time. However, I wanted to build up my network and establish relationships with different investors that could be partners in multiple ventures over decades. I am not sure that was available in the incubator scenario.

Ultimately, Stone decided to do a traditionally funded search,

The funded model to me just gave me the greatest opportunity for success. I was short on capital and short on investor relationships. The funded model allowed me to really expand my horizons, meet investors, and use the data points as guide rails to find the great acquisitions. The size of the business was an important factor in my decision to opt for a funded search. I wanted to ensure that we had enough EBITDA to allocate towards talented human capital and capital expenditures. I fundamentally believe that building the best team and incentive structure will lead us to a great outcome. We don’t want to buy a job. We want to buy an organization where we have enough capital to allocate towards our growth, operating and competitive strategies. A funded search would allow me to buy a bigger business. I know the challenge, with a traditional funded search, is that you can have lots of people that you need to manage.
Another issue Stone wrestled with was whether to do his funded search alone or with a partner. He saw advantages and disadvantages in both. In the end, Kenny decided having a partner, Nick Leibold (New York University Stern School of Business MBA 2015) was the right decision,

Nick is someone that I have known for almost 20 years. There is a great amount of trust between us and ultimately I think a shared vision. Nick and I have been going back and forth about how to partner for years and this was a process that would allow us to work together and draw from our experiences and skills to build something we can be proud of.

Stone also believed that having a partner was not just about having more skills and resources,

All the emotional ups and down, the false starts, the rejections, I think it’s great to have a partner to bounce ideas off and share the good times and the bad times. I am really excited about that. I think the downside is just making sure that we split up the roles effectively - I think it is too easy to become shallow where he does one thing and I do the other. It should be a learning experience for both of us. Of course, with a partner we will be splitting the equity upside of 30%.

Stone drew from previous professional experiences to better understand himself and figure out whether this was a solo project or a partnered project for him. He learned what he liked and did not like while working in other jobs and that helped him formulate the structure that would be best for him here,

I wanted someone that I could collaborate with who is a really smart guy, who could drive the learning process for me, and I also wanted investors to be available where I could reach out to them and they can continue to give advice. I wanted resources at an equal level or higher that I could always talk to versus just having subordinates. Therefore, enlisting a partner in a traditional search works well for me.

**Guba’s next steps**

Guba felt like he understood search fund structures much more now after connecting with Moreno, Lorson, Bowman and Stone. In addition, he started to appreciate how helpful and supportive the search fund community is. However, he was still perplexed about how to set up his search fund. As Guba ruminated about what he should do, he wondered about how his decision would materially impact him and his business over the next 5 or 10 years.
Endnotes

1 Lecturer in the Practice of Management, Yale School of Management

2 www.pivotcapitalfund.com

3 http://www.searchfundaccelerator.com/

4 Tina Bowman is a disguised case. Some details of Bowman’s resume and past have been altered to protect anonymity.


6 www.SLGinvestors.com
Exhibit 1: Key Elements in Various Search Fund Structures

Funded Search: An entrepreneur, or team of entrepreneurs, raise approximately $300,000 to $400,000 in search capital to attempt to find a business to acquire within a two to three-year period. If the entrepreneur finds a business to acquire, investors have the right, but not the obligation, to invest equity in the acquisition of the target business. The search capital is typically stepped up into the acquisition by 50% (if the entrepreneur raised $300,000 in search capital, that amount is rolled into the acquisition at 1.5x or $450,000). The entrepreneur will run the acquired business as the CEO for 5 to 10 years and the investors will serve as board members. At some point, the business is likely sold to a strategic or financial buyer. The entrepreneur has the opportunity to receive up to 25 to 30% of the equity based on closing the acquisition, vesting and IRR performance. The entrepreneur typically earns a salary during the search and while as CEO.

Self-funded Search: An entrepreneur, or team of entrepreneurs, seek to purchase a business to run and operate. While searching for the target business the entrepreneur uses her own capital for the search phase. If a target is identified, the entrepreneur might use her own capital to facilitate the acquisition or might raise outside capital in the form of common equity, preferred equity, or junior debt. The entrepreneur might own 30% to 100% of the equity. The entrepreneur would determine if and when an exit is sought. Typically, self-funded projects tend to be smaller in scale than funded projects due to limited and less readily available capital. The entrepreneur typically does not earn a salary during the search and earns a salary as CEO when the business can support the compensation.

Incubator Search: An incubated search typically involves a sponsor organization who assembles a cohort of highly talented searchers who have great potential as CEOs of small- to medium-sized businesses. The incubator trains them to efficiently search for suitable companies and effectively deal with sellers, bringing them up the learning curve in just 6 weeks rather than the 9-12 months it typically takes searchers on their own. The incubator helps them avoid wasting time on opportunities that won’t work out by getting to “no” fast. While the searcher retains control of the deal, handling all discussions and negotiations, the incubator’s team of diligence experts, lenders, lawyers, and experienced mentors gives them unlimited support. The incubator then provides the equity financing required to complement the debt financing put in place by the searcher. Drawing on the strong relationship developed during the search phase, the incubator helps the searcher-turned-CEO select the right board of directors and navigate challenges in strategy, operations, sales, human resources, and other areas of the business.1 The entrepreneur typically winds up with a 25% carry (1/3 at close, 1/3 over 4 years, 1/3 IRR performance) 2% is put into a “common” fund that will give him a piece of the other incubator member deals. The entrepreneur typically earns a salary during the search and while as CEO.

1 Taken from: http://www.searchfundaccelerator.com/our-method/
JOSE P. MORENO

EDUCATION
YALE SCHOOL OF MANAGEMENT New Haven, CT
Master of Business Administration (MBA) 2017
• Co-Chair PEVC Club for academic year 2016/17
• Honors: Consortium Fellow, and merit scholarship (Conley Brooks ’44 B.A Family Scholarship)

UNIVERSIDAD DE LOS ANDES Bogotá, Colombia
Master of Science in Economics 2011
Bachelor of Science in Economics 2010
Bachelor of Science in Business 2008
• Honors: Merit scholarship

TULANE UNIVERSITY New Orleans, LA
Bachelor of Science in Management (BSM) 2008
Dual degree program: Tulane University and Universidad de Los Andes
• Concentrations: Finance, Management
• Honors: Magna Cum Laude, Dean’s List, Merit Scholarship

PROFESSIONAL EXPERIENCE
NEBRODI PARTNERS Hartford, CT
Private Equity Summer Associate June 2016 – June 2017
• Participated in multiple leverage buyouts (LBO) across industries

IECM (Private Equity) New York, NY
• Retained as exclusive buy-side advisor in the purchase of a US$ 200 MM water treatment plant in Colombia 2015

INVERLINK S.A – Leading investment bank in Colombia Bogotá, Colombia
Investment Banking Associate 2012-2015
• Participated in the negotiation of a US$290MM private placement through Pacific Rubiales Energy and IFC’s Asset Management Company. Transaction was labeled as IFC’s largest equity investment in a greenfield project
• Developed the business plan and the financial model for the construction and operation of a US$660MM multipurpose port in Cartagena, Colombia, and participated in the negotiation of a US$370MM non-recourse loan to finance the project. Transaction was labeled Project Finance of the Year by the World Finance Magazine
• Board of directors observer (March 2014 – March 2015)
• Led a team of analysts in the execution and development of multiple financial models and management presentations that resulted in financial closings for infrastructure projects in excess of US$ 1.0 billion

INVERLINK S.A Bogotá, Colombia
Investment Banking Analyst 2010 - 2012
• Built financial models, budgets, forecasts, and valuations for companies operating across multiple industries including retail, transportation, infrastructure and financial services
• Conducted due diligence processes, including compilation of data, administration of virtual data rooms, and reconciliation of internal accounts

ADDITIONAL INFORMATION
• USA Citizen
• Languages: Spanish (Native) and English (Fluent)
• Board of Directors: Puerto Bahía / Pacific Infrastructure (2014-15) and Distribuidora Sultana del Valle (2010-14)
• Founding Partner: TAXIMAR S.A. (a transportation company), and AUTOCEANO S.A.S (a financing company)
Exhibit 3: Judd Lorson resume

JUDD A. LORSON

EDUCATION

YALE SCHOOL OF MANAGEMENT
Candidate for Master of Business Administration (MBA), GMAT: 730 (96th percentile)
• TA for inaugural Search Fund course and President of the Real Estate club
• Founded two early stage technology companies focused on real estate and clean water

OLD DOMINION UNIVERSITY
Master of Engineering Management (MEM), GPA: 4.00/4.00
• Completed projects on creating passive income with investment real estate and successful task execution
• Coursework in Operations Research, Project Management, Managerial Finance and Risk Analysis

DREXEL UNIVERSITY
Bachelor of Science (BS) in Mechanical Engineering, GPA: 3.80/4.00, magna cum laude
• Vice President of Pi Tau Sigma chapter, International Mechanical Engineering Honor Society

PROFESSIONAL EXPERIENCE

AVALONBAY COMMUNITIES, INC.
Summer Development Associate
• Completed initial underwriting for 5 real estate development pursuits representing $1B in investment value
• Collaborated with multi-disciplinary asset management team to prepare materials for $100M multi-family development deal presented to corporate investment committee consisting of CEO, CFO and COO

UNITED STATES NAVY
Fleet Integration Program Manager, Submarine Learning Center
• Led a team of 15 subject matter experts over a one year period in identification and adjudication of 18 training device deficiencies resulting in $2M worth of improvements at 7 globally located training centers
• Advised the Commanding Officer on strategic training priorities; developed presentations to communicate these priorities to senior civilian leadership at the Pentagon and executive-level military commanders
• Created and implemented a new process to maintain curriculum for 288 submarine force training courses in response to reference publication updates improving learning outcomes for 120K students

Division Officer, USS Memphis and USS Toledo
• Managed a high turnover division of 20 mechanical technicians; planned execution of 5,000 man-hours of first time quality maintenance over a 2 year period; supervised integration of $500K in temporary systems
• Awarded two Navy and Marine Corps Achievement Medals for exemplary leadership of 30+ personnel in a dynamic shipyard environment and for managing the implementation of 20 certification tests of 3 vital shipboard systems
• Directed 10 team members over a six month period in operation and mission execution of a $2 billion attack submarine with a 100% safety record in a position typically reserved for more experienced leaders

Qualified Nuclear Engineer by the Department of Energy, Naval Nuclear Power Program
• Certified to lead 40+ personnel in operating one of 70 submarine nuclear power plants in the United States

ADDITIONAL INFORMATION
• Avid traveler with personal and professional visits to 15 countries on 4 continents and 27 of 50 US states
• Volunteer class leader of three separate 9-week community based personal finance programs for 60+ participants
• Licensed Realtor® and active RE investor with 3 properties in PA and CT with a combined unlevered yield of 15%
• Devoted distance runner and Boston Marathon participant with 18 race finishes at distances of half marathon to 50 miles
**Exhibit 4: Tina S. Bowman (disguised) resume**

TINA S. BOWMAN

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<tr>
<td>2013-2015</td>
<td>HARVARD BUSINESS SCHOOL, BOSTON, MA</td>
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<tr>
<td></td>
<td>Master in Business Administration, May 2015. GMAT 726. Member: Women’s Student Association, European Club, and Entrepreneurship Club</td>
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<td>2007-2011</td>
<td>BOSTON UNIVERSITY, BOSTON, MA</td>
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<td></td>
<td>Bachelor of Arts degree, <em>Summa cum laude</em> in Psychology while working full time for New England Steel Company. Secretary of Student Government. Highest-ranking member of the senior class in the Psychology Department and Academic Honor Award, awarded to the top 5% with the highest GPA’s in College of Arts and Sciences. Semester at Institut d’Études Politiques de Paris (Sciences Po) with coursework in Literature, Political Theory, and Psychology</td>
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<table>
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<tr>
<th>Experience</th>
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<td>2015-Present</td>
<td>YANKEE CAPITAL SEARCH, BOSTON, MA</td>
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<tr>
<td>Owner</td>
<td>Managing a small private equity firm that I created for the sole purpose of acquiring and operating one small business on the east coast. An ideal business would generate $.5-1.5M of EBITDA annually, have strong recurring revenue, and operations that are not technologically sophisticated</td>
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<td>2012-2013</td>
<td>NEW ENGLAND STEEL COMPANY, BROCKTON, MA</td>
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<tr>
<td>European Operations Manager</td>
<td>Managed capital purchases ($58M annually), cash, and daily business transactions and supervised 8 sales managers</td>
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<td></td>
<td>• Discovered new supplier for our leading product, enabling company to cut prices and double market share</td>
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<td>• Secured $1.7M contracts from two new mills in Europe, which drove Asian competitor out of European ultra-high tensile steel market</td>
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<td>• Convinced shipping company to lower transport costs, resulting in $4M in savings</td>
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<tr>
<td>2011-2012</td>
<td>Sales Manager</td>
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<tr>
<td>Estimated sizes, quantities, and specifications for all specialized contracts</td>
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<tr>
<td></td>
<td>• Negotiated pricing and sizing options with suppliers in Asia, Europe, and North America</td>
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<tr>
<td></td>
<td>• Updated operations, allowing company to acquire five new contracts, each of which now generate over $4M in revenue annually</td>
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<tr>
<td>2007-2010</td>
<td>Executive Assistant</td>
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<td>Provided executive-level administrative support to the president of the company</td>
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<td>• Tracked steel shipments, processed orders, ran mill test reports, and prioritized tasks for owner</td>
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<td>• Created a comprehensive Business Continuity Plan that was accepted and implemented by the CEO</td>
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<th>Personal</th>
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<td>Travel, spirituality, and all things triathalon related</td>
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</table>
Exhibit 4: Kenny Stone resume

KELLY STONE

education
2015-2017
HARVARD BUSINESS SCHOOL BOSTON, MA
Candidate for Master in Business Administration, May 2017. Club Leadership: Chairman of African American Student Union Conference.

2005-2009
FLORIDA A&M UNIVERSITY TALLAHASSEE, FL
Bachelor of Science degree, magna cum laude, in Business Administration with finance concentration. Activities: Goldman Sachs Diversity Leadership Summit, Florida A&M Presidential Ambassador, Chief Financiers Organization

experience
2016
TRINIDAD CHOCOLATE FACTORY PORT OF SPAIN, TRINIDAD
Strategic Advisor and Operator
Developed and executed marketing, product development and go-to-market strategies for signature brand, House of Ararelo, to launch in the domestic marketplace (HBS Rock Summer Fellowship Recipient)
• Completed thorough business model analysis by developing consumer and customer value propositions and defining target market from European to regional Caribbean markets

2014-2015
STONE FINANCIAL CINCINNATI, OH
Chief Operating Officer
Designed and implemented business strategies to improve infrastructure for increased growth and profitability
• Overhauled existing accounting and cash flow management systems, generating a 300% increase in available cash for marketing and capital expenditures

2011-2014
BARCLAYS BANK PLC NEW YORK, NY
Associate, Global Leveraged Finance
Worked extensively with client management teams and senior coverage bankers to execute high yield and leveraged loan transactions in the consumer/retail sectors, earning the highest ranking in my 6-person peer group
• Managed a team of investment bankers in my vertical leader’s absence for several months, effectively maintaining key workflow across client service and transaction execution

2011-2012
Analyst, Global Leveraged Finance
Built financial models assessing valuation, cash flow production, growth opportunities, risk factors and debt capacity to determine market receptivity of the transaction and manage client expectations
• Created presentations to support extensive credit analysis, due diligence, and business discussions with management and investors to facilitate successful transaction syndication

2009-2011
CITGROUP NEW YORK, NY
Analyst, Global Leveraged Finance
Managed financial analyses to drive idea generation for clients and prepared presentation materials, credit approval memoranda and weekly market updates

community
Mentor to junior investment bankers, motivational speaker to elementary students, financial supporter of New York City charter schools (Eagle Academy, South Bronx Classical) and the Susan G. Komen Foundation

personal
Enjoy meditation, self-improvement, vegetarian cuisine and travelling