

INVERNESS

Equity Partners to Management

Overview

[Next Page](#)

[Home](#)

[Print Site](#)



Inverness Management LLC is a privately held investment firm managing private equity funds with capital commitments of over \$420 million. Fund II was closed in 2002 with \$240 million of committed capital. Inverness provides equity for leveraged acquisitions, recapitalizations, and companies seeking additional capital. Our firm seeks to make private equity investments in a small number of businesses with a target of \$50 million of equity per investment.

Inverness transactions typically range in value from \$50 million to \$200 million. We seek to invest equity in amounts from \$20 million to \$100 million. Inverness pursues a platform investment strategy, in which we focus on investing in a core business with a strong management team and industry expertise, then seek to increase the value of our investment by prudently deploying the business' capital in organic growth opportunities and strategic follow-on acquisitions.

We structure each transaction prudently to accommodate the capital requirements and growth opportunities of the business.

Overview	Investment Philosophy	Principals	Investment Highlights	Institutional Partners
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Inverness' investment philosophy is grounded in the following fundamental principals:

Platform Investment Strategy

Inverness invests in platform businesses with strong management teams and helps them prudently deploy capital in organic growth opportunities and value-accretive strategic, follow-on acquisitions. These follow on investments, coupled with organic growth, enable the business to generate financial and operational efficiencies.

Focus on Out-of-Favor Industries

Inverness' general strategy is to make leveraged equity investments in industries which we believe are attractively valued due to industry and/or capital market dislocations. Broadly speaking, Inverness invests in companies which it believes have solid base cash flows and assets values, but whose profitability and market valuations are temporarily depressed.

Partnership with Management

Inverness believes that it is important to establish a close working relationship with the management team of a prospective acquisition target long before an investment is completed. It is Inverness' experience that significant ownership by management aligns the interests of Inverness and management and encourages superior performance.

Disciplined, Value Investors

Inverness believes that in order to achieve superior risk-adjusted returns it is crucial to remain strictly disciplined with regards to valuation. Inverness enters investments with strong price discipline and structural protections.



W. MCCOMB DUNWOODY

Co-Managing General Partner of Inverness Fund II and Co-Managing Member of Inverness Capital LLC and Inverness Management LLC Mr. Dunwoody is the founder of The Inverness Group and serves on the Board of Kellstrom Industries, Independent Insurance Investments, Inc and Payment Alliance International. Prior to founding Inverness, Mr. Dunwoody started the Corporate Finance Department of First City National Bank of Houston and was a member of the Corporate Finance Departments of The First Boston Corporation and Donaldson, Lufkin & Jenrette. Mr. Dunwoody is a founder of Imagine College. He holds B.A. Degree with honors from the University of Texas.

JAMES C. COMIS, III

Co-Managing General Partner of Inverness Fund II and Co-Managing Member of Inverness Capital LLC and Inverness Management LLC Mr. Comis is the Co-Founding Partner of both Inverness Funds I & II. Mr. Comis serves on the Board of Kellstrom Industries, Independent Insurance Investments, Inc and Payment Alliance International. Mr. Comis has an extensive history of investing in financial services, aviation, logistics and business services transaction. Mr. Comis received his B.S. degree from Georgetown University.

ROBERT N. SHEEHY, JR.

Managing Director Mr. Sheehy serves on the Board of Kellstrom Industries, Independent Insurance Investments, Inc and Payment Alliance International. Prior to joining Inverness, Mr. Sheehy was a Vice-President of Finance at PennCorp Financial Group and a Vice-President of DJS/Inverness. Mr. Sheehy received a Masters of Public and Private Management from Yale University and received a B.S. Degree in Economics with Distinction from Swarthmore College.

BRAD D. ESSON

Managing Director Mr. Esson serves on the Board of Kellstrom Industries Payment Alliance International and American Independent Insurance Company. Prior to joining Inverness, he was a Vice-President of Wand Partners and Manager in the Restructuring division of Arthur Andersen LLP. He holds a MBA with honors from Columbia University and a B.S. Degree in Finance and Strategic Management from the University of Pennsylvania.

Current Investments

Inverness currently manages three platform investments and we are actively building these businesses. The following is a brief summary of the investments:

KELLSTROM INDUSTRIES INC. ("Kellstrom") is one of the largest distributors of aviation parts for the commercial airline market and the defense industry. In July 2002, Inverness purchased the business through a pre-packaged bankruptcy plan for approximately \$51 million. Kellstrom has significantly expanded its distribution relationships, increased its geographic presence and strengthened its repair and overhaul capabilities.

INDEPENDENT INSURANCE INVESTMENTS, INC. (4i's) is a specialty provider of non-standard automobile insurance. In December of 2004, Inverness purchased the business from Arch Capital Holdings for \$45 million. 4i's has completed two acquisitions, which have significantly expanded 4i's geographic footprint and premium base.

PAYMENT ALLIANCE INTERNATIONAL ("PAI") provides third-party credit and debit card processing services and is the second largest processor of ATMs in the US. In September 2005, Inverness purchased Electronic Data Resources from private investors for \$46 million. PAI has subsequently completed six additional acquisitions, which have expanded the business' product offerings and distribution channels.

Exited Investments

The following demonstrates Inverness's participation in diverse industries and transactions over a wide range of values:

AMC ENTERTAINMENT, INC. is one of the leading movie theater operators in the U.S., which at the time of Inverness' investment operated 189 locations with 2,807 screens in the U.S. and internationally. In October 2000, Inverness purchased approximately \$100 million in face amount of Senior Subordinated Notes for approximately \$48 million. Exit date: June, 2001; Multiple of Investment: 2.0x; IRR: 289.9%.

SOUTHWESTERN LIFE HOLDINGS is a life insurance holding company. In September 1998, Inverness invested \$31.5 million in a transaction valued at approximately \$202 million. Exit date: June, 2001; Multiple of Investment: 1.5x; IRR: 24.0%.

NATIONAL-OILWELL, INC. is a leader in the design and manufacture of drilling rig components and one of the world's largest distributors of standardized oil field products. In January 1996, Inverness purchased National-Oilwell in a management-lead buyout from Armco and USX Corporation for approximately \$180 million. Exit date: March, 2000; Multiple of Investment: 22.0x; IRR: 110.0%.

PREFERRED TECHNICAL GROUP is a designer and manufacturer of coupled-hose products for passenger cars and light trucks. In September, 1992, the company was purchased in a \$70 million buyout from a unit of United Technologies. Exit date: December, 1994; Multiple of Investment: 10.2x; IRR: 175.9%.

PIEDMONT AVIATION SERVICES, INC. was the second largest distributor of parts to the general aviation market. The company was a full service, fixed base operator and a major provider of overhaul services to regional airlines and air cargo companies when it was purchased for \$68 million from US Air in July, 1992. Exit date: July, 1998; Multiple of Investment: 4.5x; IRR: 28.6%.

FINANCIAL ALLIANCE PROCESSING SERVICES, INC. is a leading provider of credit card processing services to the small merchant market. In December, 1996, Inverness and management purchased the company from Deluxe Corporation for \$45 million. Exit date: October, 1997; Multiple of Investment: 3.7x; IRR: 385.8%.

PENNCORP FINANCIAL GROUP, INC. is an underwriter of specialty accident and health insurance. In August, 1990, Inverness initiated and negotiated the purchase of PennCorp from Primerica, Inc, in a \$279 million leveraged buyout. Exit date: October, 1992; Multiple of Investment: 4.3x; IRR: 62.3%.

Limited Partners

Just as Inverness seeks management partners of extraordinary integrity, competence and reputation, we value those same characteristics in our financial partners. The principal institutional investors in our investment funds include affiliates of:

General Electric Capital Corp.

Goldman, Sachs & Company Private Equity Portfolio

JP Morgan Pooled Corporate Finance

Blackrock Private Equity Holding

Phoenix Life Insurance Co.

Prudential Portfolio Management of England

Quest Pension Trust

Sumitomo Corp.

The Permanent University Fund of the State of Texas

The Regents of the University of California

