



# PRESS RELEASE

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## New Firm Focuses on Small Private Equity Deals

Brass Ring Capital announced that it has completed a final closing on a new private equity investment fund, Renovaré Capital Partners. The firm raised \$13.7 million in capital from 65 individual limited partners.

The new fund will focus on providing liquidity to retiring owners of profitable, small businesses in the Upper Midwest as well as supporting management led buyouts and recapitalizations. Brass Ring is owned and managed by private equity veterans David J. Raffel and Steven D. Peterson. "We believe there is a truly underserved need in the private equity market for transactions which require \$1 - \$3 million of equity, especially in Minnesota and Wisconsin", explained Raffel.

Commenting on Brass Ring's investment philosophy, Raffel continued "As professional investors, we seek out situations where our capital and business acumen can make a significant difference in a company's profitability and growth. We are primarily focused on investing in long established companies purchased from retiring owner/operators, as well as younger, fast growing companies that require assistance in achieving their next level of growth".

According to Peterson, "Brass Ring is dedicated to working with small, niche companies that have the capacity to generate above average profit margins through their proprietary products, special capabilities or market position".

Other investment criteria include:

<b>Revenue</b>	\$5 - \$25 million
<b>EBITDA</b>	\$1 - \$3+ million
<b>Sectors</b>	Business services and manufacturing
<b>Customers</b>	Stable customer base with no undue concentrations (over 25%)
<b>Management</b>	Management continuity is preferred, but not required
<b>History</b>	5+ year operating history
<b>Location</b>	Minnesota, Wisconsin and contiguous states preferred

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301 Carlson Parkway, Suite 265  
Minnetonka, MN 55305  
952.473.2710 phone  
952.473.3607 fax  
djr@brassringcapital.com

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826 North Plankinton, Suite 500  
Milwaukee, WI 53203  
414.225.0228 phone  
414.225.0229 fax  
sdp@brassringcapital.com



Peterson was quick to stress that Brass Ring was not interested in companies that:

- Have less than \$1 million of EBITDA
- Require significant, ongoing investment in technology (*high-tech*)
- Sell directly to consumers or primarily through *big-box* retailers

Commenting on the fundraising process, Raffel explained: "We recognized from the onset that raising a fund suited to small deals could be challenging; particularly in the fundraising environment over the past few years. We are pleased to have attracted capital from a large base of sophisticated investors, which we view as an important source of deal flow and business expertise".

Raffel began his private equity career with Harvest Partners in New York, and most recently was a member of the three-person investment team at Edina-based, Agio Capital, a sister company of investment banking firm, Goldsmith-Agio-Helms. "I am excited that David has successfully funded Brass Ring, and look forward to participating in what I am sure will be a rewarding investment strategy," stated Brook Myhran, a partner at Goldsmith and a limited partner in the newly formed Renovaré.

Raffel is a graduate of the Harvard Business School and the University of Pennsylvania's Wharton School. Born and raised in Sheboygan, Wisconsin he now resides in Maple Grove with his wife and two young children. He will be responsible for running the Twin Cities office.

Peterson began his private equity career with Bank One Venture Corporation in Milwaukee and left with the core investment team in 1996 to form Cedar Creek Partners, a \$100 million private equity firm. As one of four principals, Steve played a lead or co-lead role in 12 of the firm's investments and has served on several portfolio company boards.

Bob Cook, Dan Jagla and Wayne Foreman are founding partners of Cedar Creek and investors in Renovaré. Cook serves as an advisory board member of the new fund and stated, "These are successful, experienced guys focusing on smaller deals, which is a great match with the profile and demographics of firms in the region." Mr. Jagla added, "I think their timing should play out well with an improvement in the environment over the next several years as they put capital to work."

Peterson's previous experience includes consulting for Supervalu, investment banking at Piper Jaffray and investment management at American Express. Steve is a graduate of Northwestern University's Kellogg School and the University of Minnesota's Carlson School. He has also earned a Chartered Financial Analyst. Raised in Minneapolis, Peterson now resides in suburban Milwaukee with his wife and two young children. He will be responsible for running Brass Ring's Milwaukee office.

For more information contact:

**David J. Raffel**  
Managing Director - Minneapolis

**Steven D. Peterson**  
Managing Director - Milwaukee

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Minnetonka, MN 55305  
952.473.2710 phone  
952.473.3607 fax  
djr@brassringcapital.com

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