

THE *government contractor's* M&A PLAYBOOK:

NEW RULES YOUR
FINANCIAL TEAM
SHOULD KNOW
BEFORE THE BIG PLAY

APRIL 15, 2008

Learn from the M&A pros at this highly anticipated session on chasing new victories and avoiding defeat in the government services field.

YOU'LL LEARN:

- New Compliance/Sarbanes Oxley risks
- Government agency contractor issues
- Prime contracts vs. Subcontracts
- Congressional initiatives that could affect your deal
- How to enhance valuations (and factors that may lower them)

SPEAKERS:

- Pamela Little, CFO, ATS
- Jack Hughes, Consultant, Former CFO, Alion
- Bill Senich, CEO, Laguna Ventures
- Scott Meza, Partner, Greenberg Traurig

HOSTED BY MORGANFRANKLIN AND PIERCE FINANCIAL

AGENDA

11:30 a.m - Noon	NETWORKING
<p>Noon - 1 p.m.</p> <p>Welcome</p> <p>Introduction</p> <p>Panelist Discussion</p> <p>Q&A</p>	<p>PROGRAM BEGINS</p> <p>Ed Applegate – Managing Director, Risk Management Services, MorganFranklin</p> <p>Robert Tillson – Managing Partner, Pierce Financial</p> <p>Pamela Little – Senior Vice President and CFO, ATS</p> <p>Jack Hughes – Consultant and former CFO, Alion</p> <p>Bill Senich – CEO, Laguna Ventures</p> <p>Scott Meza – Partner, Greenberg Traurig</p> <p>Audience</p>

EDWARD APPLGATE



Edward Applegate manages the Risk Management activities for MorganFranklin's Advisory solutions which includes the areas of Internal Audit Outsourcing, IT Audit, Sarbanes Oxley Compliance and OMB A-123 Compliance for Federal Agencies.

Applegate has 17 years of public accounting, auditing and business advisory experience with Ernst & Young. From 2001 to 2005, he worked as the Sarbanes-Oxley and IT audit integration leader in the Technology and Security Risk Services practice. His team achieved a 69 percent increase in the integration of information technology audit services in the first year, which was before the Sarbanes-Oxley mandates.

From 1996 to 2001, he worked in the Entrepreneurial Services practice in Dallas. While there, Applegate gained significant expertise in complex public financial transactions, SEC reporting and financial accounting standards. He has continued his entrepreneurial focus through involvement with the E&Y *Entrepreneur of the Year* program for the past ten years. Many of Applegate's clients have been multi-national corporations and he also worked on Australian public companies while in Sydney for two years.

Applegate is a CPA and holds a B.S. in accounting from Pennsylvania State University, where he won the PICPA Award for Excellence in Accounting Studies.

ROBERT W. TILLSON

Robert W. Tillson is Managing Director of Pierce Financial's software and information technology practice. He has extensive experience as a mergers and acquisitions advisor as well as securing private placements and venture capital.

Prior to joining Pierce, he was a pioneer in the online information services and software industry for over 25 years. In 1968 he marketed the first commercially available online information services for the IBM Company. He introduced the first consumer interactive online service as Senior Vice President of Sales and Marketing for CompuServe, and was the senior executive managing the first eCommerce services for General Electric Information Services. He was founder and CEO of the first Sales Force Automation and CRM software company, National Management Systems.

Mr. Tillson holds a B.S. in Engineering from Syracuse University and attended New York University Graduate School of Business and Lehigh University. He is a member of the Association for Corporate Growth, National Association of Corporate Directors, the Tech Council of Maryland, and the Northern Virginia Technology Council.



PAMELA LITTLE



Pamela Little has been Senior Vice President and Chief Financial Officer at ATSC since May of 2007. Ms. Little has over 25 years of experience in companies ranging from privately held startup high technology firms to large publicly-traded multi-national professional services and government contracting firms.

Prior to joining ATSC, Ms. Little was Vice President and Chief Financial Officer of two government contracting firms, Athena Innovative Solutions, Inc. and ZKD, Inc. from 2004 to 2007, where she was responsible for all financial and administrative functions and for negotiating the sale and integration of the company to McNeil Technologies, Inc. From 2000 to 2003, Ms. Little was Vice President and Chief Financial Officer of DAI, an international development firm where she was recruited to perform a turnaround and successfully reduced the company's debt by over 65%, while revenues increased from \$70 million to \$200 million during her tenure.

From 1991 to 1999, Ms. Little was Executive Vice President for two technology firms, Welch Engineering and Mitech Inc, where she was responsible for financial, operational, administrative and marketing for both firms.

Ms. Little currently serves as director of publicly-traded Sandy Spring Bank (NASDAQ: SASR) where she is Chairman of the Audit Committee. She is also very active in the community where she serves as Chairman of the advisory board of Montgomery College Macklin Business Institute and as a member of the part-time faculty at Montgomery College in the business department. Ms. Little received her B.A. degree in Sociology from the University of Maryland and her M.B.A from Loyola College.

JACK HUGHES



Jack Hughes has 35 years of finance and treasury experience, with a solid background in federal government contracting.

He currently serves as a financial advisor to Alion Science and Technology Corporation. He was previously the Executive Vice President, Chief Financial Officer, and Treasurer of Alion from 2002 to 2008, where he was responsible for planning, direction, and organization of Alion's financial and accounting functions, and contributing to the strategic direction for the future expansion of the corporation, including participation in the acquisition and financing transactions pursued by the company. He was a member of the senior executive team that helped grow the company from \$200M to \$740M in annual revenues.

Prior to joining Alion, Mr. Hughes served as Co-founder and Principal of Phoenix Financial & Advisory Services from 1998 to 2002 - a company that provided management consulting services to early-stage companies in the hi-tech industry, including financing assistance, strategic planning, merger/acquisition planning and business development support. Prior to that, he served as Senior Vice President and CFO of BTG, Inc. from 1992 to 1998, where he was responsible for executing the company's IPO and follow-up public offerings, and for business and operations management, as well as creating winning proposal strategies and growth financing for a \$600M business with 1650 employees. Previously, he was the Senior Vice President and Corporate Treasurer of ManTech International Corporation from 1973 to 1992, and helped guide this strategic growth of the company from \$4.0M to \$200.0M in annual revenues.

Mr. Hughes received his Bachelor of Science in Economics and Business from Frostburg State University. He has performed graduate coursework in contract formation, government procurement, and financial management. He also serves on several Corporate and Non-Profit Boards.



WILLIAM M. SENICH



William M. Senich is the founder, President and Chief Executive Officer of LVI. Mr. Senich is a corporate leader and federal industry executive with over 25 years experience in the public and private sectors. As a former partner with IBM's Global Business Services group, he was responsible for the company's National Intelligence Programs account providing professional services to the U.S. intelligence community.

Mr. Senich's prior positions include Vice President at L-3 Communications (formerly Titan Corporation) where he led the company's Special Operations Division which provided specialized engineering and analytical services to the U.S. Government. He also held sales, marketing and engineering positions at Harris Corporation, Hughes Aircraft Company and Aerospace Corporation.

Mr. Senich received a BSE in Electrical Engineering from University of Michigan and has completed all coursework for a MSEE from the University of Southern California.

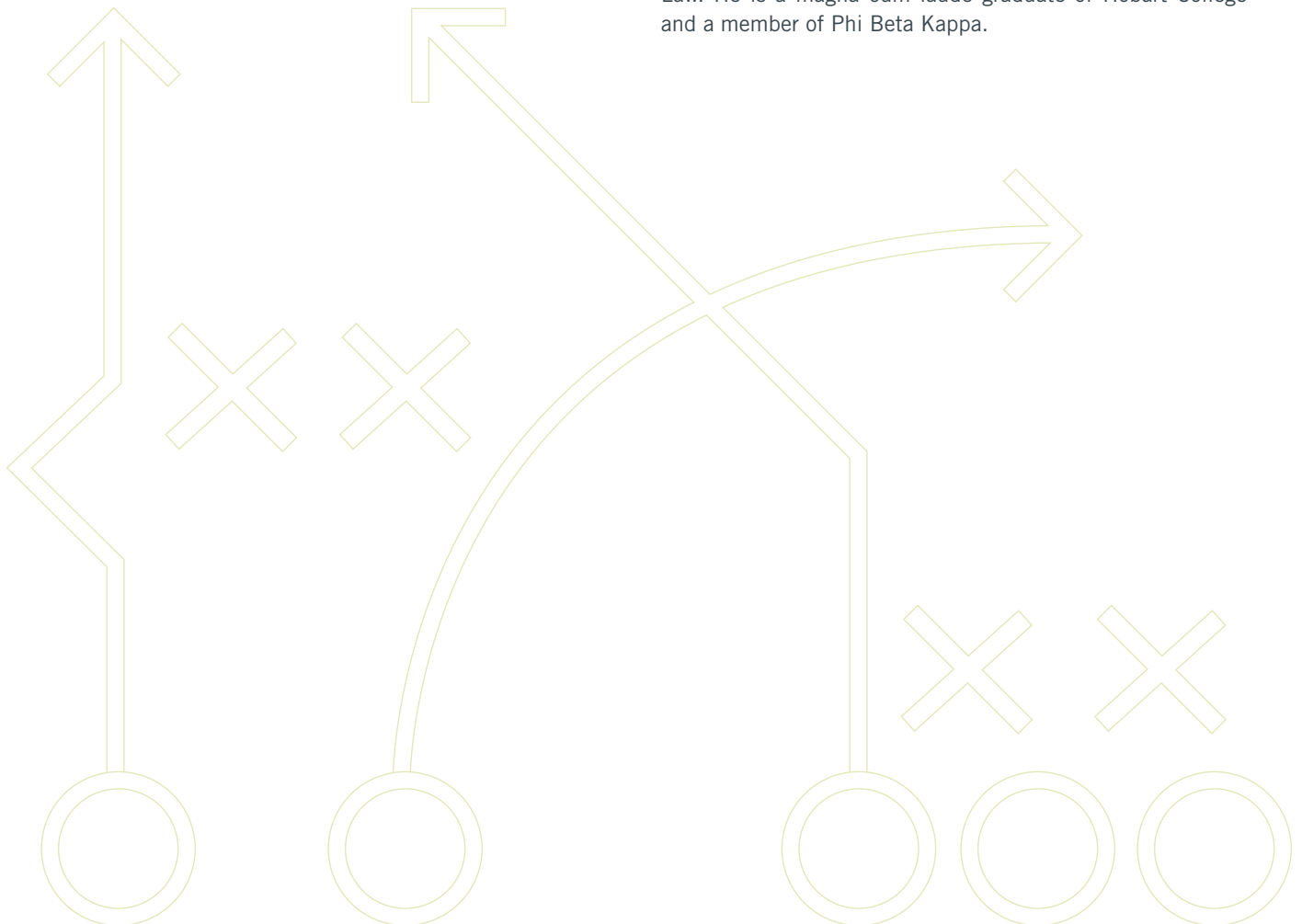
SCOTT MEZA



Scott Meza is a shareholder at Greenberg Traurig, a national and international law firm with 29 offices and over 1750 attorneys. Scott is located in Greenberg's McLean Virginia office. Scott has over 25 years experience assisting private and public companies in complex acquisition, divestiture and spin off transactions, including mergers, acquisitions, and recapitalizations. Scott also represents investors, lenders and companies in a variety of equity and debt financings. Scott has particular expertise in managing these types of transactions for companies operating in regulated environments like government services, telecommunications and health care. Scott also regularly represents companies with technology based businesses in these types of transactions, as well as with technology licensing and strategic alliances.

Scott is a frequent author and lecturer before professional organizations and academic institutions on topical corporate issues, including mergers and acquisitions and venture capital and angel investing.

Scott is a graduate of the University of North Carolina School of Law, where he was editor of the NC Journal of International Law. He is a magna cum laude graduate of Hobart College and a member of Phi Beta Kappa.



MORGANFRANKLIN AT A GLANCE

Clients prefer MorganFranklin because we deliver on our commitments — and then some. We are reliable and, for us, quite simply, just getting things done is not enough. We do a great job combining expertise to diagnose and solve complex problems. And we do it fast. We value and work well with our partners and put egos aside to do the right thing for clients. It's about core confidence. We believe in it, recruit for it and encourage it. Mostly, we enjoy helping our clients build it so that they can eliminate barriers that prevent success when the stakes are highest.

WHAT WE DELIVER

MorganFranklin combines business and technology expertise with core confidence to anticipate and convert high-stakes challenges into value for our clients.

Financial and Operational Readiness

Expertise in finance and accounting, project management and IT to support everyday and special projects

Radical Growth and Change

Management, IT expertise and project management discipline to extract the most value out of environments of extraordinary change

Risk and Crisis Management

Highly effective risk, compliance and crisis management programs that deliver value beyond compliance

Essential Information and Communications

Delivering reliable and secure communication networks, information systems and decision-support solutions

PROFESSIONALS

Our professionals bring industry, consulting, accounting and audit, government and military experience. This includes extensive technical expertise demonstrated by credentials such as CPA, CIA, CISA, CISSP, RCDD, MBA, Ph.D. and PMP certifications, to name a few.

PRESENCE

We serve national and international clients from offices in Virginia, Illinois, Maryland, Arizona, and the U.K. Facilities include corporate, integration labs, engineering and Sensitive Compartmented Information Facilities (SCIF) in the continental U.S.

OUR DIFFERENCE

- **People.** Recruit professionals with creative problem solving skills and track records in high-stakes situations.
- **Communication.** Deliver clear and frank communication with a pledge to deliver unpopular messages with the same urgency used to convey good news.
- **Collaboration.** Work together with colleagues and clients to anticipate and convert challenges into value.
- **Vigor.** Offer energy, focus and high expectations for excellence in execution.
- **Speed.** Uphold organizational structure that enables us to be nimble, responsive and accountable.

◀ CORE CONFIDENCE ▶

You have it, and expect it from others. Demand it from your advisors. It's the persistent application of skill, focus and determination. It's a luxury when navigating day-to-day priorities. It's an absolute must when faced with high-stakes objectives.

EXPERTISE AND CAPABILITIES

Management Consulting

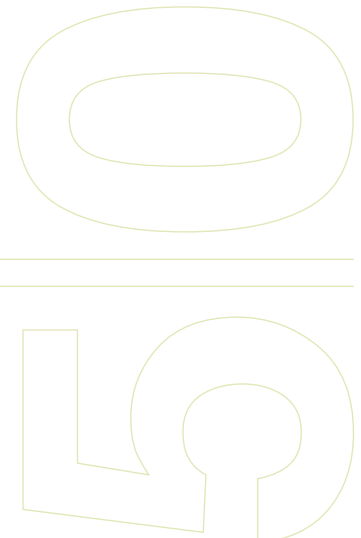
- Business Process Management
- Data Management/Business Intelligence
- Enterprise Program Management
- Enterprise Resource Planning
- Innovation/Supply Chain Management
- IT Strategy
- Knowledge Management

Financial Advisory

- Accounting and Audit Support
- Financial and Regulatory Reporting
- Internal Audit Services
- Internal Control Services
- IT Audit and Technology Risk
- Management Transition Services
- Transaction Services
- Transition Staffing Services

Technology and Systems

- Advanced Networks
- Business Resilience and Continuity
- Infrastructure/Virtualization
- Managed Services
- Mobile and Transportable Platforms
- Operations and Maintenance
- Systems Implementation and Integration
- Unified Communications and Security



TRANSACTION SOLUTIONS

COMPREHENSIVE TRANSACTION SOLUTIONS

A successful merger, acquisition or joint venture can catapult you in to new markets, neutralize a competitor, and dramatically improve shareholder value. Yet with unfortunate frequency, transactions fail to meet expectations. The reasons are numerous. Due diligence is rushed and data is overlooked; integration is oversimplified; reporting and compliance demands are underestimated. Too often these and other oversights force strategic buyers and investors to rely on wishful thinking and a crystal ball to predict transaction success.

At MorganFranklin we believe that the keys to transaction success rely on the ability to develop a clearer picture of the value drivers and integration risks earlier in the deal life cycle; something that is often lost in the race to close.

MorganFranklin is your single source for due diligence and post-merger integration support. We have the power to combine finance and accounting, operations and management, and technology expertise to eliminate the barriers that prevent transactions from achieving their full potential. Our proven project management discipline ensures that the tightest deadlines are met. Our clients can expect to:

- Make swift go/no-go decisions saving time and money
- Reduce financial, operational and IT risks
- Meet internal and external reporting deadlines
- Identify, capture and maintain integration synergies
- Manage change to minimize business disruptions

A BROADER VIEW BRINGS GREATER VALUE

Most due diligence efforts focus on financial, legal and tax analysis. But identification of operational, IT and other integration challenges earlier in the deal cycle can make the difference between success and failure. To support due diligence and integration efforts, MorganFranklin's cross-functional experts in treasury, operations, facilities and IT give you a more complete and actionable picture of deal risks and opportunities. The benefits include:

- Focus on highest return integration objectives
- Reduce operational costs without impacting quality
- Identify and retain talent in roles that matter most
- Make best use of management time and energy
- Avoid unnecessary disruptions to daily operations
- Capture and deploy best practices across the business

UNDERSTANDING YOUR CHALLENGES:

- Competitive markets demand swift decisions.
- Due diligence rarely provides operational insight.
- Loss of talent makes it hard to hit transaction goals.
- Tight reporting and compliance deadlines must be met.
- Underestimated integration challenges cost time and money.
- Business disruptions must be minimized.
- There must be accountability for delivering synergies.

SERVICES

Transaction readiness

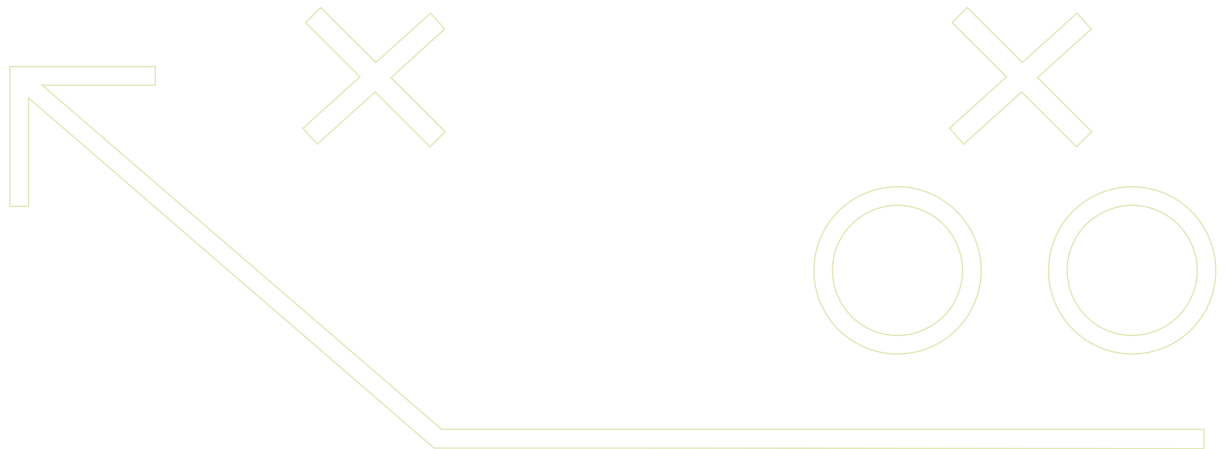
- Assessment of strategy
- Valuation modeling
- Financial, operational and IT due diligence
- Transaction structuring, negotiation and contract assistance
- Transaction closing compliance requirements

Integration planning

- Technology and process flows
- Resource evaluation and requirements analysis
- Financial and regulatory reporting compliance

Post-merger integration

- Project management leadership
- Finance and accounting integration
- Systems integration and consolidation
- Operational rationalization execution
- Post-transaction performance health checks
- Reconciliation of purchase price disputes and accounting issues
- Liaison with auditors, management and stakeholders



PIERCE FINANCIAL CORPORATION

Pierce Financial is a leading full-service investment bank specializing in mergers and acquisitions and financial advisory services in the Defense and Government Services, Software and Technology, Oil and Gas, Communications, and Healthcare industries.

Located in the Washington, DC area, Pierce has completed over 50 M&A transactions in the United States, Eastern and Western Europe, South America, and Asia. Our associates have employment experience with the Inter-American Development Bank, The World Bank, the United States Government, and multinational corporations such as General Electric and IBM. With foreign currencies at a premium to the US dollar, several European clients are actively looking for US companies to acquire.

Pierce primarily performs the following services: In sell-side engagements we identify buyers or merger partners for owners who wish to exit their business or divest business units that no longer fit their corporate strategy. In buy-side engagements we assist acquirers to find attractive companies and facilitate closure; we also will arrange the financing necessary to facilitate these transactions. On sell-side engagements we seek to optimize the price paid by securing multiple bids for the property.

Over the last two years, the defense and government services industries have enjoyed substantial consolidation both by US and foreign buyers, particularly UK purchasers, though French and Canadian buyers have also been active. Pierce is working with several foreign buyers to achieve their strategies in the US.

Private equity firms are still active in the middle market and Pierce has been actively working with these firms to find quality companies to acquire in the government services sector consolidation strategy. This strategy involves building \$100 million companies through acquisition of smaller companies with the objective of selling to the \$Billion firms. Private equity firms are also participating in the consolidation of the software and technology sectors. Pierce has identified several software companies with undervalued intellectual property which has generated increased cash flows for their new owners.

Strategic buyers in the government sector are actively pursuing contractors that provide entry into agencies that are enjoying increased budgets, especially intelligence agencies.

In the oil and gas industry, Pierce is actively participating in the restructuring of the refining sector. Pierce recently facilitated the movement of an unused methanol plant in Texas to the country of Azerbaijan. Pierce has also formed other joint ventures in other counties to facilitate similar transactions.

The software industry is still engaged in consolidation and will continue for several years. Little capital is required to start a software company but marketing software products requires much capital. Larger software companies buy smaller companies to extend their product lines to leverage their investment in their marketing organizations. Pierce is continually targeting successful software companies.

