

Raising capital in the current credit markets

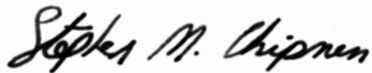
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Following a long period of low credit spreads and abundant market liquidity, the global economic crisis that began in 2007 created turmoil that continues to test companies seeking to raise capital efficiently and effectively.

In this succinct report on raising capital in today's credit environment, Tom Thompson and Bill Sinnett of Financial Executives Research Foundation, Inc. provide essential information that executives need to have to weigh their options during these challenging times. The authors share insights from key players on both sides of the lending-borrowing equation, and they offer practical solutions to help you and your business successfully navigate this ever-changing financial landscape.

We hope you find *Raising capital in the current credit markets* interesting and valuable.



Stephen M. Chipman
Chief Executive Officer
Grant Thornton LLP

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Executive summary

Three years have passed since HSBC, one of Europe's largest banks, announced losses linked to U.S. subprime mortgage defaults. During those three years, we have seen huge losses and asset write-downs, bank failures and hastily arranged sales of some of Wall Street's biggest names, and a near-total collapse of the credit markets that prompted governments around the globe to intercede.

We know that cash is the lifeblood of business; recent events have amplified this axiom. Over the last few years, we have seen many companies operate with insufficient liquidity to handle shifts in their business or the economy. As the U.S. government attempted to infuse cash into the system to indirectly help these companies, many lenders were using the cash to shore up their own balance sheets. While some companies have cut back on their requests for capital during this time, others have continued with their plans to raise capital in the near future.

We wanted to learn more about the methods some companies are employing to raise needed capital and how other companies can improve their rate of success. This research and resulting report, *Raising capital in the current credit markets*, was undertaken by Financial Executives Research Foundation, Inc. (FERF) in association with Grant Thornton LLP. The results and analysis herein are based on data collected in late 2009 using a brief 14-question online survey of more than 250 financial executives, and on individual interviews with executives of companies that are seeking capital and with investment banking firms, merchant bankers, and economic development organizations that provide or arrange capital.

66 percent of respondent companies believe that current regulatory reform proposals, including taxing financial transactions, will increase costs and move capital flows overseas.

Some key findings of the survey include the following:

- 44 percent of respondent companies attempted to raise capital by renewing existing debt agreements.
- Almost half (48%) of survey participants believe that amounts being lent have decreased.
- Just over half (55%) of respondents feel that interest rates on borrowing have increased, while nearly one quarter (24%) felt they have decreased.
- 66 percent of respondent companies believe that current regulatory reform proposals, including taxing financial transactions, will increase costs and move capital flows overseas.

In order to learn of the obstacles they face, we interviewed financial executives of companies that are seeking capital. To provide insights to help them overcome these obstacles, we also interviewed executives of companies that provide or arrange capital for their clients. While each company's experience is unique, some consistent themes arose:

- Be aware of what is happening in the credit and equity markets, even if your company is not distressed or seeking immediate capital.
- Enhance the information your company communicates to lenders.
- Be prepared and ensure that your company's financials are in order.



Research methodology

Raising capital in the current credit markets is based on a brief, 14-question online survey of more than 250 financial executives, and on individual interviews with executives of both public and private companies that are seeking capital and with investment banking firms, merchant bankers, and economic development organizations that provide or arrange capital. The online survey, which was available during November and December 2009, asked participants about (1) their recent attempts to raise capital, (2) the types of debt they issued or applied for, (3) their thoughts on current lending amounts, debt covenants and interest rates, (4) the results of their capital-raising efforts, and (5) their opinions on the government's regulatory reform proposals.

A total of 11 in-depth interviews were conducted during January and February 2010 as a follow-up to the survey and to provide deeper insights into the current credit markets and conditions. The interview participants came from a variety of industries, including merchant banking, building construction management services, medical technology, economic development, manufacturing, investment banking, high-end furniture and fabrics, education management and services, software development, financial services, and food services and restaurants. Their companies ranged in size from under \$10 million in annual revenue to over \$250 million in annual revenue. All interviewees had the opportunity to review the notes from our interviews and could opt to be quoted directly or to remain anonymous. The interviews were arranged randomly to minimize bias.

The research is not intended to cover a statistically significant sample size of the corporate population. However, based on the online survey results and follow-up interviews, the qualitative findings provide insights into the current credit market conditions. They offer senior financial executives valuable background information for their own capital-raising search.

Please refer to the Appendix to review charts related to the survey demographics.



The interview participants came from a variety of industries, including merchant banking, building construction management services, medical technology, economic development, manufacturing, investment banking, high-end furniture and fabrics, education management and services, software development, financial services, and food services and restaurants.

Current conditions

In looking at today's difficult credit market, we realize that dramatic changes have occurred over the past three years. The "current credit crisis" clearly is not a short-term problem — there seems to be no end in sight. Many of us are reminded of the three-year downturn that occurred between 1987 and 1990.

Several factors have exacerbated the current "crisis" in the credit markets:

- Some lenders' ability to lend has been impaired.
- Companies looking to borrow money are having performance issues due to the economic environment.
- Values of fixed assets (e.g., machinery, equipment and real estate) have fallen, making them more difficult to use as collateral.
- Valuing of illiquid assets has become more difficult.

All companies — even those that are not in financial distress — need to be more aware of what is happening in the credit markets. Companies with existing loan agreements should not assume that their lenders will continue to renew existing agreements. While lenders may be unwilling to renew loan agreements in some extreme cases, in many cases the lenders are reevaluating their loan agreements and may be repricing them. As Michael Carter, managing director of the Stamford Connecticut investment banking firm Carter, Morse & Mathias, pointed out, it is important for companies to "get to know several bankers at their banks because there is a high turnover of bankers lately, and you want to make sure you are familiar with more than just 'your banker.'" If a company has cash-flow issues, a banker who is unfamiliar with the company's business may not want to continue the relationship, and the company may have difficulties replacing that lender.



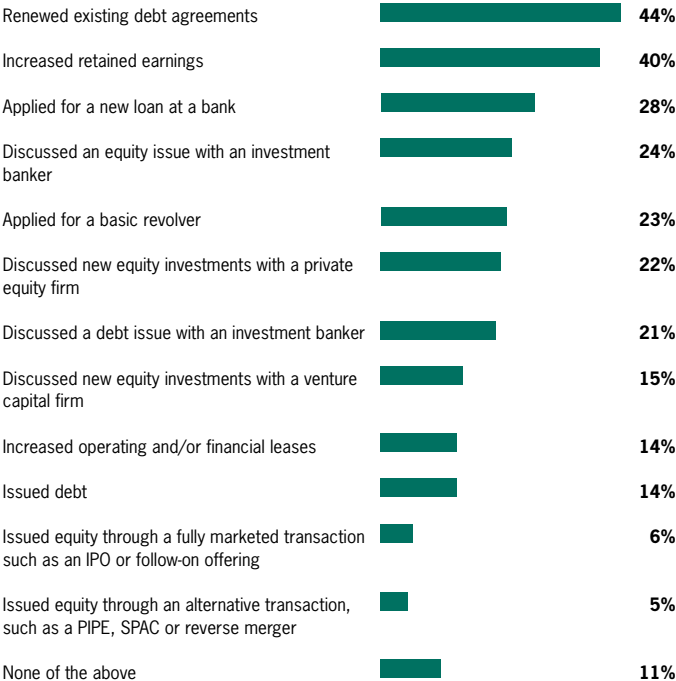
All companies — even those that are not in financial distress — need to be more aware of what is happening in the credit markets.

Banks are still making loans, but smaller, community banks seem to be lending more than the large banks because they did not get saddled with the types of securitized assets that crippled many of the larger banks. Today's credit problems started back in 2007 with homes, but spread quickly to other assets, and much uncertainty remains in the market. Credit conditions may improve by the middle of 2010; however, not everyone is optimistic. Barry Korn, managing director of Barrett Capital Advisors, thinks there is pent-up demand and that the markets are beginning to move toward more rational behavior, but "I would not anticipate a 'V' type recovery from the recession. There is still much adjusting and cleaning up to be done, which will keep us sideways to back down before we head back up."

Raising capital

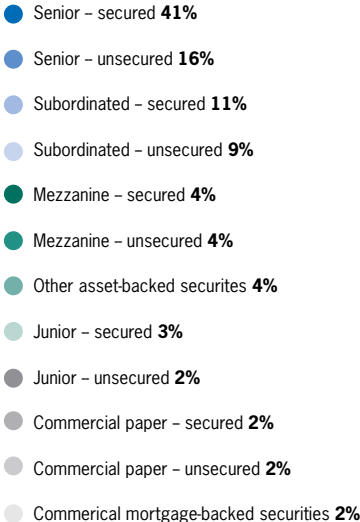
Despite the government’s best efforts, the credit markets continue to remain tight. Many of the lenders that businesses have relied on in the past are still focusing on their own balance sheets. Credit is still available, but with everything that has occurred in the market over the last three years, the process of obtaining capital through traditional and alternative sources has become much more restrictive and cumbersome. Nonetheless, many of the individuals we recently interviewed raised capital or were in the process of attempting to raise capital. Our survey found that 44 percent of respondent companies attempted to raise capital by renewing existing debt agreements. The following bar chart illustrates some of the other methods utilized by our survey respondents to obtain capital.

Methods of obtaining capital



Success in obtaining financing in today’s market requires that companies better understand what lenders and investors are looking for. The rules have changed regarding pricing, valuations, covenants and collateral. The more versed a company is in what is available and what is required, the better a company’s negotiating position will be to secure financing. Several of the capital providers we interviewed suggested “thinking outside the bank.” Just because you have an existing relationship with a lender, do not assume that relationship will survive in its current form. Consider other forms of financing, such as subordinated debt, private equity or venture capital. While these options may take time to arrange and be longer in duration, they are still available. Our survey supports this point: of the companies attempting to raise capital through debt, 41 percent attempted to raise it through senior secured debt. Other sources that companies used to raise capital are shown in the following pie chart.

Sources of raising capital



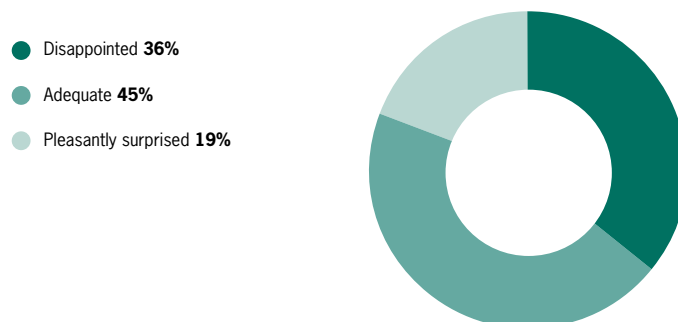
In addition to its creditworthiness, a company’s size, industry and reputation are important to its successful capital-raising efforts. Access Florida Finance Corporation President Mark Scovera said, “The company size and industry definitely matter. As an example, I see many service industry companies because banks shy away from them due to their lack of collateral.” In speaking with several “capital funders,” we found some overarching themes in raising capital in the current environment:

- Be aware of what is happening in the credit and equity markets, even if your company is not distressed or seeking immediate capital.
- Enhance the information your company communicates to lenders.
- Be prepared and ensure that your company’s financials are in order.

Few executives we interviewed were taking a wait-and-see approach — they were actively attempting to raise capital and pursuing several avenues at once. Tom Fitzgerald, CFO of Velico Medical Inc., mentioned that his company found that “venture capitalists were not very venturesome” these days, but Velico had had some moderate success with individual investors. Another executive, in his early-February fundraising efforts, received a fairly good reception on the equity side. Other companies were in the process of raising capital at the beginning of the year, hoping to have secured funding by the end of the second quarter.

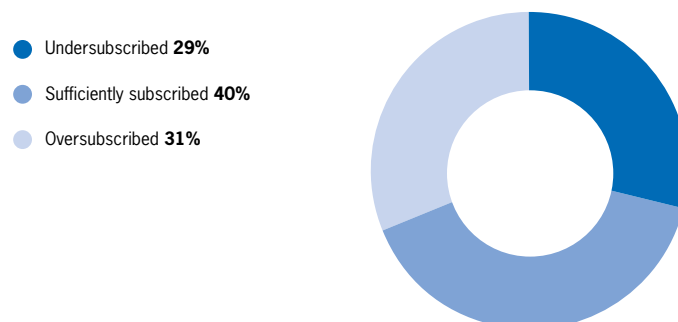
Companies that had recently attempted to raise capital in the current environment by issuing debt or equity were asked in our survey about the receptiveness of investors. The following pie chart illustrates those companies’ degree of satisfaction or dissatisfaction with investors’ response to their issuance.

Degree of satisfaction with investor response to your company’s issuance



We also asked companies about the market response to the debt or equity they recently issued. Their perception of the market’s response to their company’s issuance is illustrated below.

Perception of the market’s response to your company’s issuance



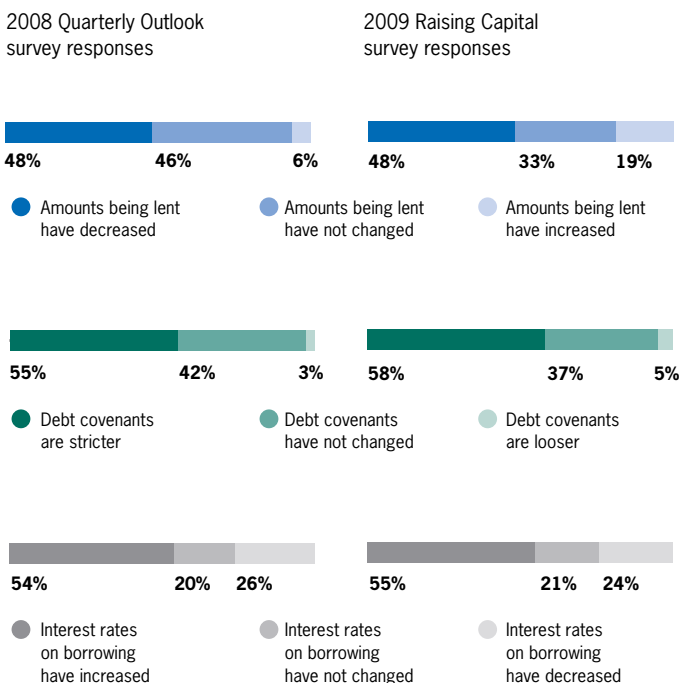
Lending environment

In a February 23, 2010, CNNMoney.com article titled, “Sick Banks May Mean Feeble Recovery”, FDIC chief Sheila Bair said she expects bank failures in 2010 to surpass last year’s 140 failures. That same day, in a separate CNNMoney.com article titled, “Banks at Risk of Going Bust Tops 700”, the FDIC said the number of banks on its so-called problem list topped 700, the highest level since the summer of 1993. Realistically, only a small percentage (just 13%) of those lenders on the “problem list” will likely fail, requiring regulators to step in and seize control. Meanwhile, commercial banks continue to espouse the importance of their corporate customers, but behind the scenes, they seem to have made their own survival their first priority. Who could blame them? If a bank fails, it cannot lend to customers.

The recent credit famine comes after a decade-long feast that was fueled in part by bank loans. Customers are frustrated by the fact that the pullback comes on the heels of massive government banking subsidies, including the Federal Reserve’s decision to cut and hold down short-term interest rates, therefore cutting the banks’ funding costs.

While some would argue that credit has eased for larger companies, it remains rather congested for most small companies. In fact, a February 10th U.S. Treasury report acknowledged that, “Credit is still tight for many small businesses.” In the December 2008 *CFO Quarterly Outlook Survey* (a survey conducted by Financial Executives International and Baruch College that questions CFOs on a broad range of topics related to the economy and finance), we asked about debt terms and conditions. To determine how attitudes have changed since the December 2008 survey, the November-December 2009 survey asked the same debt terms and conditions questions. The charts on this page compare the two survey responses.

Comparison of survey responses: 2008 versus 2009



Referencing the preceding charts, we see that most results were nearly identical across the three measures. However, 19 percent of respondents to the 2009 survey noted that amounts being lent have increased, compared with only 6 percent of respondents to the December 2008 survey. Of the 24 percent respondents to the 2009 survey who indicated interest rates have decreased, more than half (53%) were from companies with less than \$100 million in annual revenue.

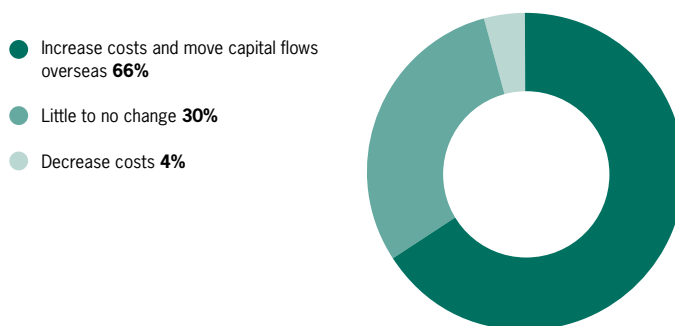
Government intervention and regulatory reforms

A January 2010 *Time* magazine interview quoted the following from President Obama: “When you see more and more of the financial sector basically churning transactions and engaging in reckless speculation and obscuring underlying risks in a way that makes a few people obscene amounts of money but doesn’t add value to the economy — and in fact puts the entire economy at enormous risk — then something’s got to change.”

What has changed thus far? The government addressed the crisis through different agencies on many different fronts. The Treasury Department was authorized by the Emergency Economic Stabilization Act of 2008 (commonly referred to as “the bailout plan”) to purchase troubled bank assets through the Troubled Asset Relief Program (TARP). The Treasury also issued guidance to clarify the regulation of compensation that may not comply with the America Recovery and Reinvestment Act (ARRA) of 2009. In addition, the Federal Reserve continued cutting the overnight lending rate to banks and made financing available through its Term Asset-Backed Securities Loan Facility (TALF) program. According to Brian Ruttencutter, CFO at Cumming, “It’s a complicated matter with the government taking over bad credit and loans, providing money through TARP and keeping rates low.”

Much has been made in the media of the government’s response to the credit crisis, but for all the press coverage, our survey results and interviews reveal what many executives believe: The current regulatory reforms being discussed, including the taxing of financial transactions, will likely increase the costs associated with raising capital and move capital flows to other countries. The following pie chart details the survey response results.

Survey response results to the proposed regulatory reforms



During the follow-up interviews, one of the executives told us he felt that a lax regulatory environment helped to create the current situation, and the government’s efforts to correct it “have been an abysmal failure.” He also said, “Banks have gotten far too big for everyone’s good. The banks need to be broken up, and we need to return to Glass-Steagall or something similar to promote competition.”

The U.S. government has a long history of legislation in response to crisis. The regulatory reform efforts under way in Washington today are no exception. Legislation that has passed the House of Representatives, and similar legislation pending in the Senate, contemplates establishing a “consumer financial protection agency” that has authority to influence — or even dictate — how consumers obtain financing. While these reforms may not be focused directly on business lending, they likely will change the nature of the finance business for everyone. For example, certain components of the draft legislation charge regulators with monitoring financial institution executive compensation — giving regulators the authority to adjust compensation if they believe executives are taking undue risks. Piccadilly Restaurants LLC CFO Tom Sandeman said, “You can’t legislate integrity; you have to live it.” He may be right, but Washington is likely to give legislation the upper hand in the coming months.

Financing options

While the current credit market conditions are not ideal, opportunities still exist for companies that know their options and are prepared. Below are a few of the available financing options, along with brief overviews.

Senior debt financing

There are two types of senior debt: cash-flow and asset-based.

Cash-flow debt

Cash-flow loans are based on the borrower's projected cash flow, without directly considering the borrower's underlying assets, such as inventory or receivables.

While the credit crisis has affected all levels of the credit market, cash-flow debt has been more severely affected than asset-based debt, especially for loans greater than \$100 million, which require a bank syndicate.

The problem today with multibank syndication deals is that all institutions are reevaluating their risk profile, and each lending institution may focus on different issues because each has a different risk tolerance. Thus, it will be difficult to satisfy the concerns of all of the lending institutions within the syndicate. Historically, the lead agent for the syndicate simply asked all lenders in the syndicate how much of the total loan they wanted. Now there is more legwork required up front to structure the deal, and the lead agent has to work out the details with each lender before putting together the total deal.

If your company has an existing cash-flow loan, take care not to violate the terms of the loan covenant. For example, you may have negotiated a five-year credit facility with a bank at a good rate several years ago. If you violate any terms of the covenant on a technicality, the bank may take advantage of that infraction to renegotiate the loan. Now it's likely the loan's cap could be reduced, or the interest rate may be increased by as much as 3 percent.

In the past, with the economy expanding, cash-flow lenders may have provided a credit line of up to three times a company's EBITDA (earnings before interest, taxes, depreciation and amortization). Now those lenders may reduce that credit line to two times EBITDA. "I think the statement 'things are back to normal' is more true for companies with EBITDA over \$10 million," said Michael Carter of Carter, Morse & Mathias. "I also wouldn't say they are back to normal so much as they are more favorable." He went on to explain that for companies that generate less than \$10 million EBITDA, cash-flow lending is almost nonexistent.

Asset-based debt

Asset-based loans are collateralized with specific assets, such as inventory or receivables. They provide working capital for companies and can be used for:

- growth capital,
- mergers & acquisitions, or
- recapitalization.

Asset-based lending is more active in this current business cycle — characterized by restricted cash flow — because loans are made against assets, not against free cash flow.

Asset-based loans are senior loans and are a first lien against a company's assets. Facilities average about three years, and rates will float above the prime rate or LIBOR (London Interbank Offered Rate). These rates are subject to market conditions and depend on extensive risk analysis performed by the lender. Criteria to be considered for an asset-based loan include the value of the collateral and the level of risk involved.

Not all assets in asset-based lending are treated equally, and there is a continuum from liquid to illiquid assets. Loans are usually made against a percentage of receivables (roughly 85%) and inventory, but because machinery and equipment are less liquid, loans are made against only 75 percent of their appraised value. Such loans are amortized over a five- to seven-year period or the remaining useful life of the assets.

Few asset-based loans are made against real estate, and this type of loan is done only to accommodate the borrower. A five- to 10-year loan, collateralized by 60 percent of the appraised value of a company's real estate assets, is an example of such a loan.

Asset-based lenders' collateral requirements may be more conservative today due to:

- fear that the borrower will liquidate under Chapter 7; and
- the large number of comparable assets for sale in the market, driving down their value.

Currently, the credit risk of asset-based loans is thought to be higher than in the past because the value of the underlying assets has fallen. However, lenders may want to lessen their exposure by more actively monitoring the value of a loan's collateral.



Private equity firms are still looking to make acquisitions, but any potential acquisition would have to be compelling.

Mezzanine financing

Mezzanine lenders provide junior lending — which is subordinate to bank loans — between secured loans and equity stakes.

Given its place in the capital structure, mezzanine financing typically has both debt- and equity-like features. Accordingly, the rate of return that mezzanine lenders require is between debt and equity, and is therefore higher than that required for secured debt in order to compensate the lenders for their increased credit risk.

Example:

- A \$10 million mezzanine loan carries a 10 percent interest rate.
- There is no amortization for the first two years.
- Thereafter, principal and interest is paid for five years, followed by a balloon payment.
- The balloon payment could include equity warrants, in addition to some cash.

In today's market, the lender expects an internal rate of return of approximately 18 percent. Please note that in the current market environment, equity valuations for private companies are generally lower. As a result, management's view of the implicit cost of financing will likely be higher than 18 percent when factoring in the cost of equity warrants.

Private equity

Private equity firms are still looking to make acquisitions, but any potential acquisition would have to be compelling. Potential targets are those within defensive industries, such as health care. If the targets are in more economically sensitive industries, the acquirer might prefer to wait for earnings deterioration to flatten. Valuations by private equity firms are also generally lower owing to the fact that debt financing is available to them on less advantageous terms (high coverage ratios and stricter covenants).

Relationship banking

Over the past several years, banks have shifted their focus from profitable individual deals to profitable relationships that offer customers a complete package of financial services. Banks have always wanted to be rewarded appropriately for risk, but today they seek profitable relationships that will provide a reasonable rate of return. Therefore, they may evaluate the profitability of the relationship before making the loan.

Profitable *relationships* might include:

- primary deposits;
- treasury services, such as cash management, lock boxes and controlled disbursements;
- foreign exchange services for international trade;
- standby letters of credit;
- employee accounts and deposits;
- insurance;
- wealth management; and
- asset management, including 401(k) plans.



The image shows a scan of a financial statement or ledger page. It features a table with multiple columns of numbers and text. The text is small and difficult to read, but it appears to be a detailed financial record. The table has several columns, with the first column containing text labels and the subsequent columns containing numerical values. The overall appearance is that of a historical or archival document.

Banks have always wanted to be rewarded appropriately for risk, but today they seek profitable relationships that will provide a reasonable rate of return. Therefore, they may evaluate the profitability of the relationship before making the loan.

Factors to consider when negotiating a new loan

You should consider several factors when negotiating a new loan:

1. **The bank's viability:** Will the bank be in business a year from now? The borrower should review the bank's capital ratios to determine if it is "well capitalized." This information is disclosed quarterly in the bank's financial statements.
2. **The size of the loan:** Some banks continue to shrink their balance sheets, and your bank may be unwilling to make large loans.
3. **Facility terms:** A bank may be willing to commit only to a one-year facility and then want to renegotiate. The borrower may then be forced to renegotiate with a different bank, resulting in significant refinancing risk.
4. **Interest rates:** Interest rates have increased for middle-market companies, and some banks have added floors to prevent future rates from going below a certain level.
5. **Relationship banking:** Banks want ongoing relationships, and the borrower may have to "sell" the bank on the value of the relationship in order to get a loan.
6. **The "forward financing calendar":** For example, there will be a refinancing "bubble" in 2013 and 2014, when highly leveraged transactions that were funded during the "covenant lite" years immediately preceding the credit crisis come due. This projected swell in refinancing activity is one example of where cyclical issues may have a significant impact on issuer outcomes.

Alternative ways to go public

Reasoned or not, public companies typically enjoy easier access to capital than do private ones. Companies may wish to consider the following two alternatives, in addition to weighing the merits of a traditional initial public offering (IPO).

Hybrid Preferred Public Offerings

Structured to provide a smooth transition from private to public ownership, Hybrid Preferred Public Offerings (HPPOs) are IPOs that offer companies greater long-term stability and an aftermarket support program that replaces research and investor relations solutions that have disappeared for all but the largest of companies. They do so by targeting a concentrated group of high-quality, long-term investors.

Tailored to meet the needs of small and mid-cap growth companies, HPPOs may blend late-stage venture capital/strategic investors (who are given publicly registered shares instead of unregistered shares) and long-term fundamentally oriented investors, including the growing class of so-called “crossover” buyers. The result is a public company with a smaller number of investors who are committed to the long-term interests of the company (and less likely to “flip” shares).



Although companies typically receive less money from financing through a reverse merger than they do through an IPO, they can raise additional funds through a larger secondary offering after going public in a reverse merger.

Reverse mergers

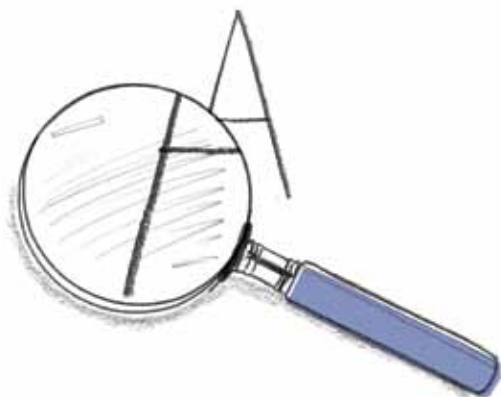
A private company may consider a reverse merger when seeking a lower-cost, simpler and speedier way to become a publicly traded company with less dilution. In this type of offering, a private operating company acquires all or most of the stock of a publicly held shell company.

Although companies typically receive less money from financing through a reverse merger than they do through an IPO, they can raise additional funds through a larger secondary offering after going public in a reverse merger. However, in considering this type of transaction, companies should note that the acquirer typically must relinquish to the shell company up to 10 percent of its equity stake — an important consideration that may outweigh the costs of going public through a traditional IPO.

Conclusion

While today's credit market landscape has changed, capital is still available. Lenders and investors though, are looking much more closely at the credit quality of companies seeking capital, and they want greater protections against the risk of default. Lenders are also requiring larger premiums to compensate for this perceived increased risk. Therefore, capital seekers should expect higher borrowing costs, and plan accordingly. Many of the capital-seeking company executives we interviewed expressed their frustration not only with the firms that provide capital, but also with the government's priorities and inability to get capital flows moving more quickly.

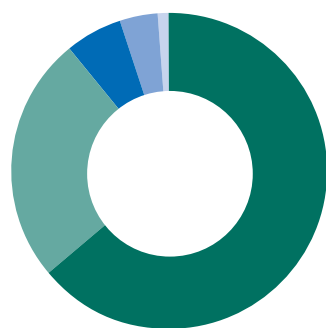
Ultimately, executives must consider their companies' situation and determine their primary and secondary capital-raising options. Credit markets may not recover fully for years, and they might possibly never return to their precrisis state. Thus, companies should focus on being in a state of "transaction readiness" by becoming knowledgeable about markets and improving their ability to organize and communicate corporate and financial information. They must do this while diversifying their relationship base both within and across financing institutions. The companies that understand the new financial market landscape, and that execute their strategies based on that understanding, will not only survive the current credit freeze, but will also thrive after its eventual thaw.



Companies should focus on being in a state of "transaction readiness" by becoming knowledgeable about markets, and improving their ability to organize and communicate corporate and financial information while diversifying their relationship base both within and across financing institutions.

Appendix

Respondent categorization or company type



- Private company executive **63%**
- Public company executive **26%**
- Private equity funded private company executive **6%**
- Venture capital funded private company executive **4%**
- Private equity executive **1%**

Respondent companies by company size and industry

Industry	Less than \$25M	\$25M–\$99M	\$100M–\$499M	\$500M–\$749M	\$750M–\$999M	\$1B–\$4.9B	\$5B–\$10B	Over \$10B	Totals	Percentage
Advertising	0	0	0	0	0	0	0	0	0	0
Aerospace/defense	1	2	1	1	0	0	0	2	7	3
Ag./forestry/fishing/hunting	0	0	0	0	0	0	0	0	0	0
Arts/entertainment/media	1	0	1	0	0	1	0	0	3	1
Automotive	0	1	0	0	0	0	0	0	1	0
Banking/financial services	4	5	3	1	1	0	1	0	15	6
Capital products (equipment)	0	0	0	0	0	0	0	0	0	0
Chemicals/plastics	1	0	0	0	0	0	0	1	2	1
Computer services	2	0	0	0	0	0	0	0	2	1
Construction/engineering	1	3	3	1	0	0	0	0	8	3
Consulting/employment agency	1	2	0	0	0	0	0	0	3	1
Consumer goods	4	1	0	1	0	0	0	0	6	2
Distribution	1	1	4	0	0	0	1	0	7	3
Education	1	0	0	0	0	2	0	0	3	1
Electronic	0	0	0	0	0	0	0	0	0	0
Energy/utilities/oil & gas	1	1	2	3	0	1	1	0	9	3
Environmental	3	0	1	0	0	0	0	0	4	2
Food/restaurant	0	0	2	0	0	0	0	1	3	1
Healthcare services	2	0	1	0	0	0	0	0	3	1
High-tech or software	3	1	2	0	0	0	0	0	6	2
Hotel/motel	0	0	0	0	0	0	0	0	0	0
Insurance	0	0	1	0	0	1	0	1	3	1
Internet/multimedia	1	1	1	0	0	0	0	0	3	1
Leasing	0	0	0	0	0	0	0	0	0	0
Manufacturing	8	13	7	2	3	4	0	2	39	15
Medical/pharmaceutical	11	3	1	0	0	1	0	0	16	6
Metals	0	0	0	0	1	0	0	0	1	0
Mineral/ Mining	0	1	0	0	1	1	0	0	3	1
Nonprofit organizations	4	0	0	0	0	0	1	0	5	2
Other	7	2	5	0	0	1	0	0	15	6
Payroll	0	0	0	0	0	0	0	0	0	0
Personal services	0	1	0	0	0	0	0	0	1	0
Preparation services	0	0	0	0	0	0	0	0	0	0
Printing	1	0	0	0	0	0	0	0	1	0
Professional services	7	1	2	0	0	0	1	0	11	4
Real estate	3	1	5	2	0	0	0	0	11	4
Research & development	0	1	0	0	0	1	0	0	2	1
Retail	0	3	3	0	0	1	0	2	9	3
Service	2	3	2	1	0	0	0	0	8	3
Technology	11	6	4	0	0	0	0	1	22	8
Telecommunications	1	4	1	0	0	0	0	1	7	3
Transportation	0	1	4	0	1	0	0	0	6	2
Venture capital	1	0	1	0	0	0	0	0	2	1
Wholesale	3	3	2	2	0	0	2	0	12	5
Totals	86	61	59	14	7	14	7	11	259	
Percentages	33	24	23	5	3	5	3	4	100	100

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