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About W Partners

W Partners is a boutique investment banking advisory firm that provides financial advisory services to middle-market companies in the Western United States. Our services include mergers, acquisitions, financings, capital raising, and strategic transaction advice to business owners and family offices.

Utah Middle Market M&A Update Second Quarter of 2015

M&A activity continued to be robust during the first half of 2015 with large transactions dominating total deal value. Whereas middle-market transaction volume remained on-trend, the first half of the year saw 31 mega-mergers with values greater than \$10 billion, the most ever in a first half as consolidation trends continued in the healthcare, pharmaceutical and telecommunication industries. Mega-deals accounted for 39 percent of the total transactions announced, the largest share since the second half of 1999, at the peak of the dot-com bubble.

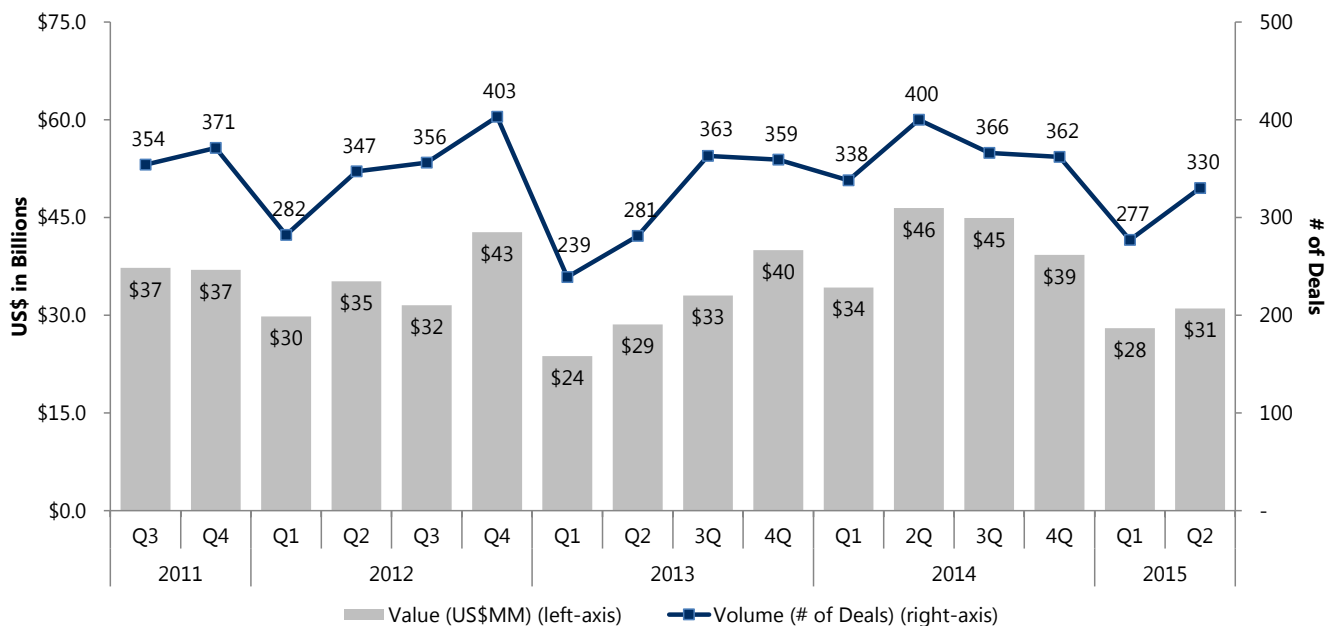
Similarly, venture capitalists have been very active investing \$19.2 billion in the second quarter, nearly matching the peak investment of \$19.7 billion in the fourth quarter of 2000. Recent venture investments have included a number of high profile, late-stage financing rounds, such as Uber and Airbnb, totaling \$11.6 billion of the total venture investments in the quarter. However, the current valuations of private companies are troubling many venture investors as the number of so-called unicorn companies - those with valuations exceeding \$1 billion - soar, topping over 115 in the second quarter.

Meanwhile, private equity firms are finding it is an easier environment to sell than buy companies as private company valuations have been driven up by increasing stock market prices and a renewed appetite from corporations for M&A. Private equity firms successfully unloaded \$125 billion worth of investments during the second quarter, a record. Due to the lack of bargains, private equity 'war chests' have been filling, with a stunning \$1.3 trillion of callable capital reserves ('dry powder') available at the end of June, with nearly \$500 million allocated toward dedicated buyout funds.

For the second half of the year, M&A activity is expected to be steadfast as sellers look to close deals while favorable conditions prevail, including ultra-low interest rates, a US economy with steady but unspectacular growth, ample credit availability for leverage and significant private equity and corporate dry powder. Over 80% of deal professionals believe that M&A activity will either remain steady or speed up in the second half of 2015, and greater than 50 percent of executives surveyed by E&Y's Global Confidence Barometer said they are planning to pursue acquisitions in the next 12 months. Clearly the overall market sentiment is currently positive, and therefore we expect M&A activity to continue in-line with recent trends while conditions remain accommodative.

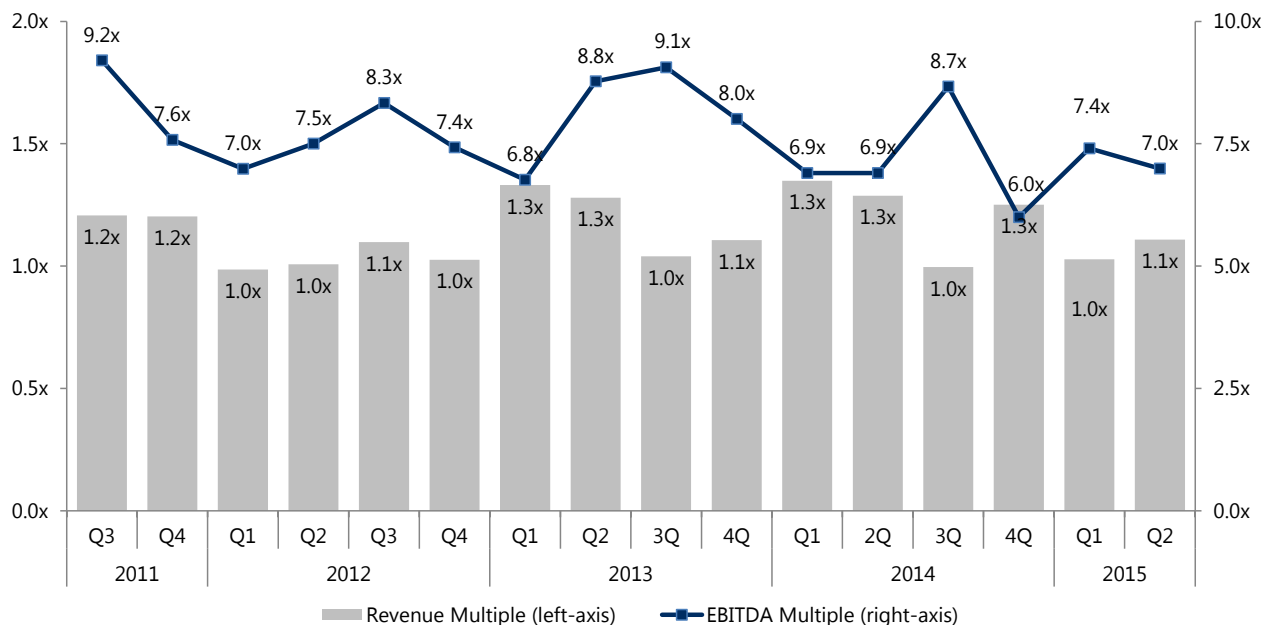
M&A Activity – Middle Market

Activity in the second quarter of 2015 recovered from the seasonally weak first quarter and increased in-line with historical trends as the economic climate is still favorable for M&A transactions. However, compared to the prior year period, middle market M&A transactions have fallen 18% in volume and 33% in value as the average deal size has decreased, and it has become difficult to keep pace with the breadth of activity from the prior year.



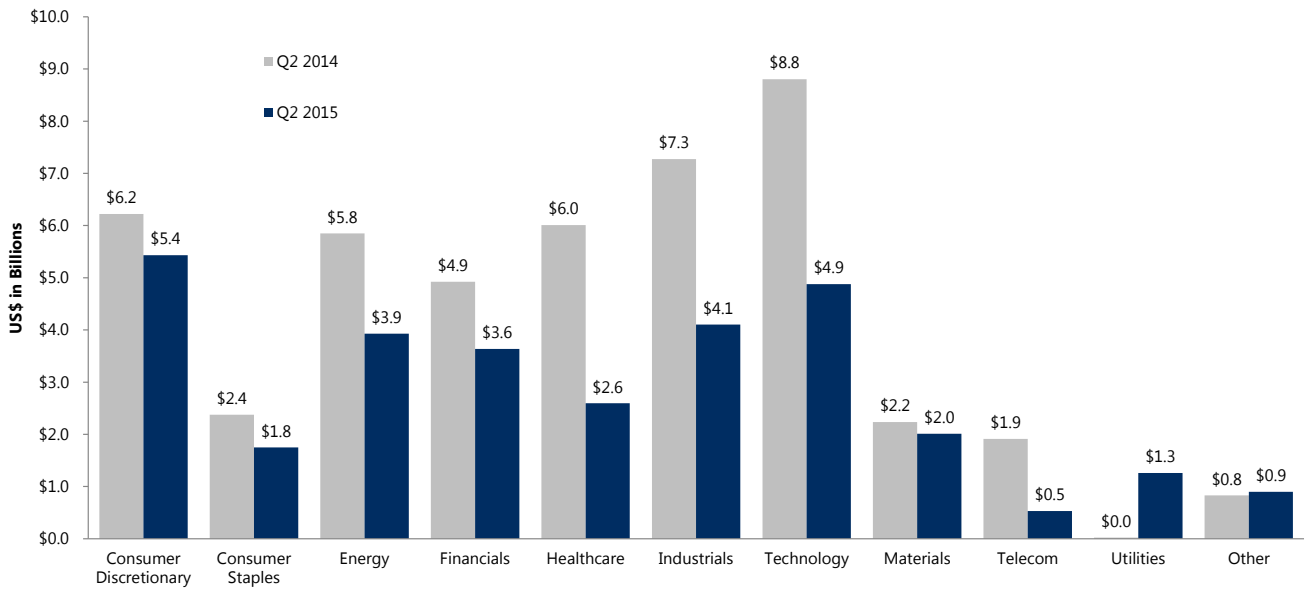
Valuation Multiples – Middle Market M&A Transactions

Disclosed revenue and EBITDA multiples remained largely in-line with the historical range indicating typical conditions in a steady M&A environment. There were only a few technology transactions that disclosed the valuation multiples this quarter which contributed to the relative weakness when compared to prior periods. With relatively high public market multiples and interest rates still at generational lows, transaction multiples are holding steady for well run businesses.



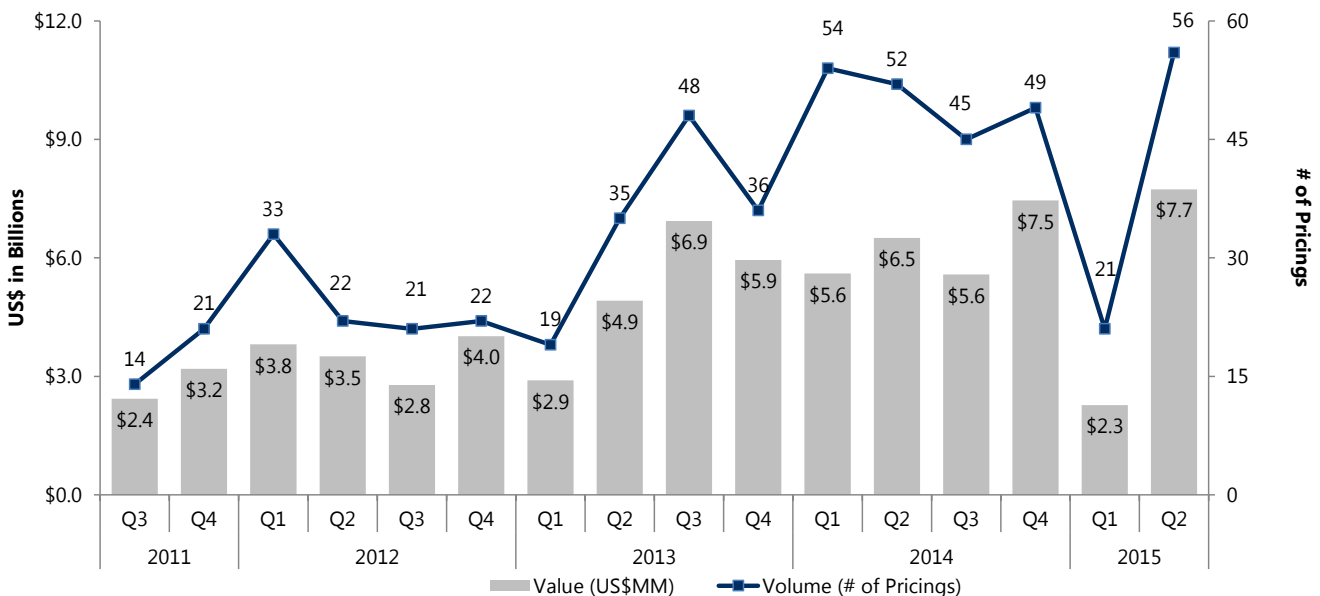
M&A Activity by Sector – Middle Market

Middle market M&A transaction values decreased across the board compared with the prior year period, with the exception of the Utilities sector. The decline in value across nearly all sectors was generally driven by decreases in both the number of transactions and decreases in average deal size. For instance, even though the volume of Healthcare transactions only decreased by 12%, Healthcare values were down greater than 50% year-over-year due to the decrease in average transaction size by 51%. Overall, the average transaction size decreased by 19%, and the volume of transactions decreased by 18% year-over-year.



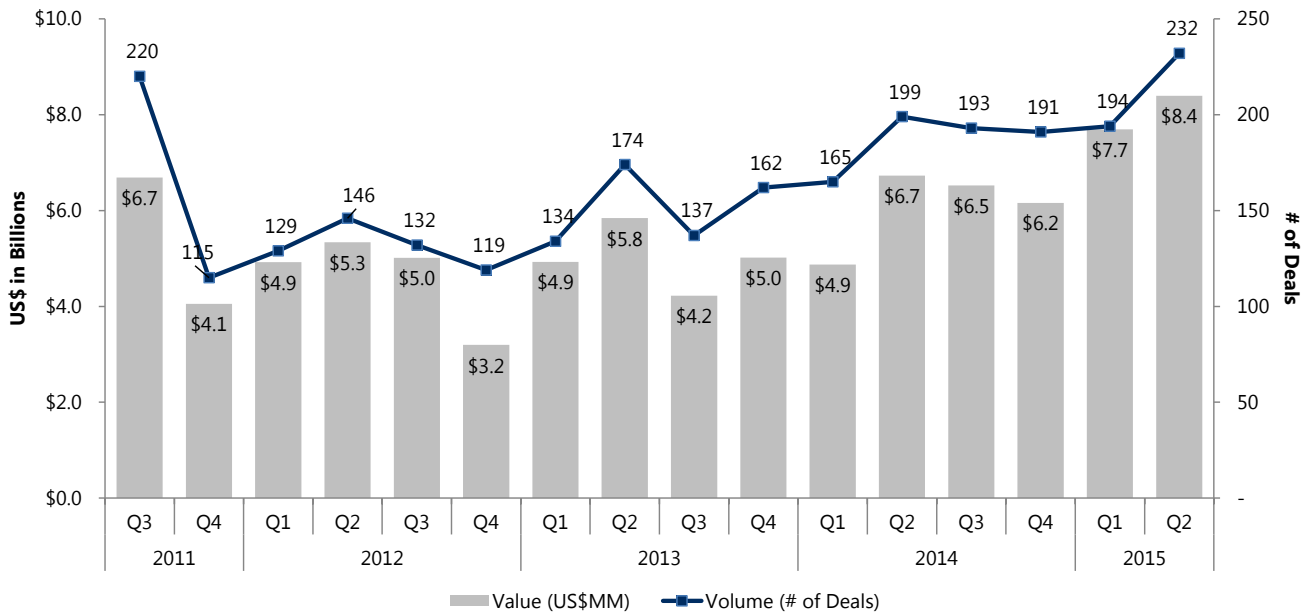
IPO Activity – Middle Market

IPO activity rebounded in the second quarter from the first quarter as the IPO 'window' remained open in the U.S. for new middle market issuers. Healthcare companies comprised approximately 50% of the total offer volume during the quarter in-line with recent trends with Consumer Discretionary, Energy and Technology offerings contributing to the remaining offerings. Notable Consumer Discretionary transactions included Etsy, an online boutique goods marketplace, and four restaurant IPO's, Bojangles', DAVIDsTEA Inc., Fogo de Chao and Wingstop.



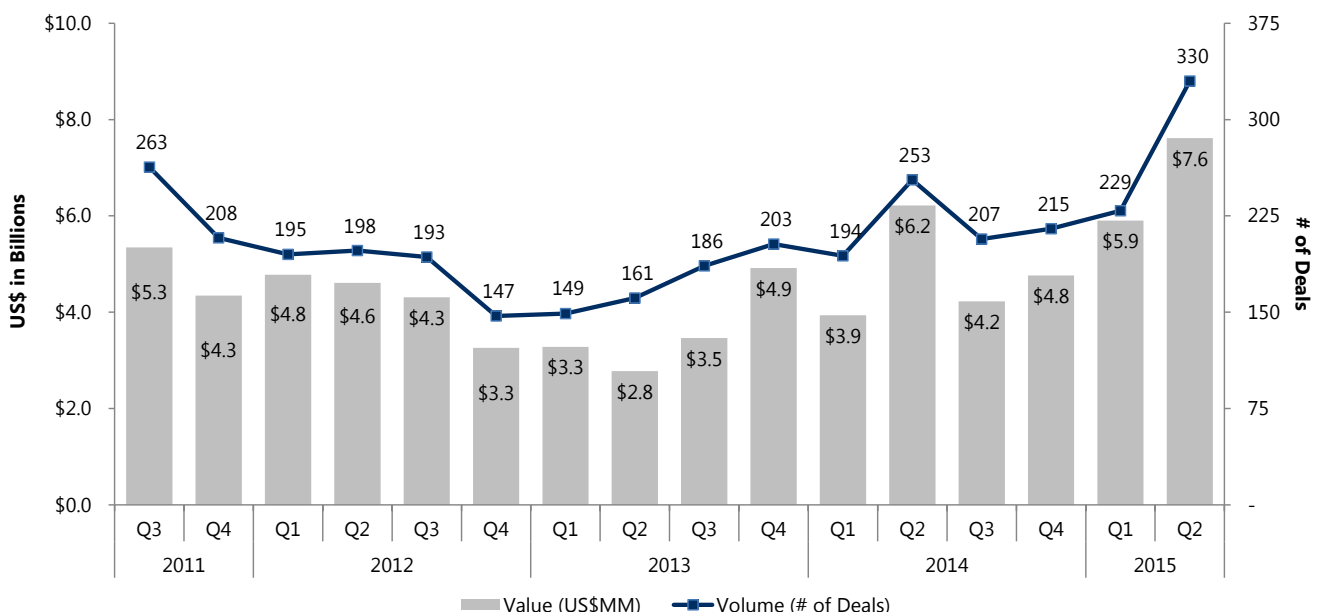
Private Placement Activity – Middle Market

Private placement activity increased significantly in the second quarter reaching the highest investment level seen since the '08-'09 downturn. The quarter saw volume growth of 17% and average transaction sizes increase by 7%, resulting in total transaction value growth of 25% over the prior year period. There were more than 100 Technology investments made during the quarter (disclosed transactions between \$5 and \$250 million) comprising 44% of the total volume, followed by Healthcare at 25% and Consumer Discretionary and Financial investments each at 9%.



Venture Capital Investment Activity – Middle Market

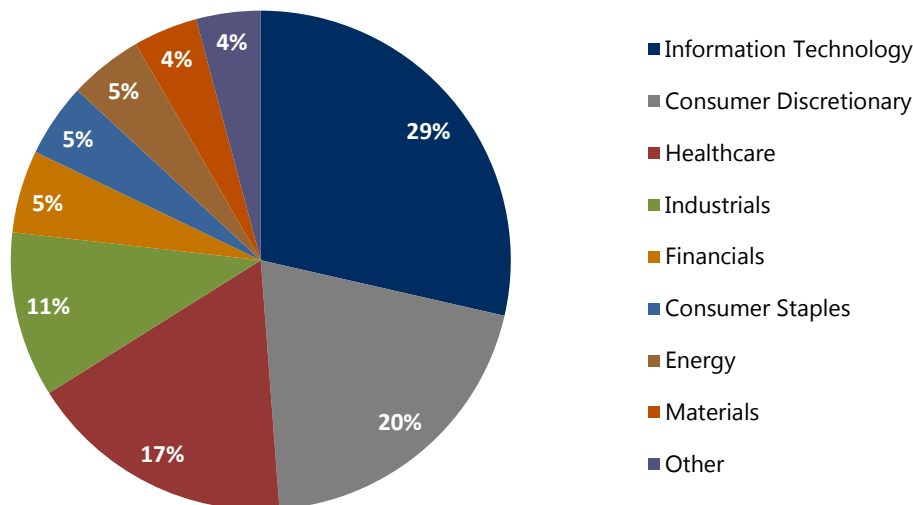
The second quarter was unusually strong for venture capital investment, with transaction volume and value increasing to levels not seen in recent years. As expected, investment activity was dominated by Technology and Healthcare investments, with Technology investments comprising approximately 50% of the total volume followed by Healthcare investments at approximately 20%. Although transaction volume and value have increased significantly, the average investment size for the quarter decreased 6% from the comparable prior year period. Venture investors have shown a willingness to invest into higher growth businesses as the economy has demonstrated stability.



Utah M&A Activity by Sector

The second quarter of 2015 slowed down from the record pace of activity in the first quarter and was in-line with historical transaction trends for the region. Information Technology, Healthcare and Consumer Discretionary transactions lead the industry groups, with most transactions being completed with undisclosed values. Spring Communications took advantage of RadioShack's bankruptcy during the quarter to purchase 11 stores with the hopes of acquiring more as it expands the footprint of cellular service, that uses AT&T's network, sold through GameStop stores.

Utah Transaction Mix
(Last Twelve Months)



Utah M&A Transaction Details for Q2 2015

Announced Date	Target	Acquiror	Target Industry	Target Business Description	Size (\$mm)	TEV ¹ /Revenue	TEV ¹ /EBITDA
Consumer Discretionary							
06/12/2015	Emergency Certifications, Inc.	Career Step, LLC	Education Services	Health training and education programs	-	-	-
06/03/2015	Spread Effect, LLC	Adduco Media, LLC	Advertising	Content marketing services	-	-	-
05/29/2015	Fit Marketing LLC	Stryde, Inc.	Advertising	Inbound marketing services	-	-	-
05/28/2015	Mialisia & Co., LLC	Youngevity Essential Life Sciences	Apparel, Accessories and Luxury Goods	Jewelry products	-	-	-
05/20/2015	Plaid Social Labs Inc.	Corbis Entertainment	Advertising	Online advertising services	-	-	-
05/20/2015	LightHeaded Beds, LLC	Lifetime Products, Inc.	Home Furnishings	Children's beds	-	-	-
05/15/2015	RadioShack Corp., 11 Stores	Spring Communications, Inc.	Computer and Electronics Retail	Consumer electronic retail stores	-	-	-
05/07/2015	RallySport Direct, LLC	Premier Performance, LLC	Internet Retail	Car parts retailer	-	-	-
Consumer Staples							
05/04/2015	Lexol Brands, LLC	American Covers, Inc.	Household Products	Leather care products	-	-	-
04/07/2015	Kencraft, Inc. - Seller: Dynamic Confections, Inc.	BBX Sweet Holdings, LLC	Packaged Foods and Meats	Confectionaries and candies producer	-	-	-

1. Total enterprise value.

Note: Reflects all disclosed M&A transactions excluding real estate where the acquiror, target or seller headquarters are in Utah. The Utah-based company is denoted in bold. * indicates that the seller was one of a group of sellers.

Sources: S&P Capital IQ and W Partners research and estimates.

Utah M&A Transactions (Cont'd)

Announced Date	Target	Acquiror	Target Industry	Target Business Description	Size (\$mm)	TEV ¹ / Revenue	TEV ¹ / EBITDA
Financials							
04/14/2015	Business Bounce	Lendio Inc.	Specialized Finance	Small business financing solutions	-	-	-
04/14/2015	Guitar Center, Inc., Existing Card Program Assets	Synchrony Bank	Consumer Finance	Credit card services	-	-	-
Healthcare							
06/26/2015	MEDCONX, Inc.	ATL Technology, Inc.	Healthcare Equipment	Medical connector systems	-	-	-
06/19/2015	Kosmic Medical, Inc.	BC Technical, Inc.	Healthcare Equipment	Imaging equipment remanufacturer	-	-	-
06/17/2015	MedNet Technologies, Inc.	Advice Media, LLC	Health Care Technology	Healthcare website developer	-	-	-
06/12/2015	Cimarron Medical, Inc.	Sun BioPharma, Inc.	Health Care Technology	Medical research software	-	-	-
05/11/2015	Acclaris, Inc.	Extend Health, Inc.	Health Care Technology	Healthcare SaaS technology services	\$140	-	-
05/05/2015	VisualShare, Inc.	XIFIN, Inc.	Health Care Technology	Image exchange software solutions	-	-	-
04/02/2015	Red Cliffs Healthcare, Inc.	The Ensign Group, Inc. (NasdaqGS:ENSG)	Healthcare Services	Rehabilitation and nursing services	-	-	-
04/01/2015	Perseon Corporation, Hyperthermia Assets - Seller: Perseon Corporation (NasdaqCM:PRSN)	Pyrexar Medical Inc.	Healthcare Equipment	Hyperthermia products manufacturer	-	-	-
Industrials							
06/09/2015	Salt Lake Garfield & Western Railway Company Inc.	Buckaroo LLC	Railroads	Railroad transportation services	-	-	-
05/13/2015	Health & Safety Institute, Inc. - Seller: DW Healthcare Partners	The Riverside Company, Maranon Capital, L.P.	Human Resource and Employment Services	Emergency response services	-	-	-
05/11/2015	Layton Fernandes	Layton Construction Co., Inc.	Construction and Engineering	Construction contracting services	-	-	-
Information Technology							
06/29/2015	Speek Inc.	Jive Communications, Inc.	Internet Software and Services	Web-based conference calling solutions	-	-	-
06/23/2015	Verizon Enterprise Solutions Inc., Verizon Enterprise SSL Business	DigiCert, Inc.	IT Consulting and Other Services	SSL certificate solutions	-	-	-
06/22/2015	FlexSim Software Products, Inc.	RungePincokMinarco Limited (ASX:RUL)	Application Software	Simulation software solutions	-	-	-
06/05/2015	Matrix Imaging, Inc., ECM Systems Division	DoxTek, Inc.	Technology Distributors	Imaging and content management solutions	-	-	-
05/28/2015	Cloud9 Analytics, Inc.	InsideSales.com, Inc.	Internet Software and Services	Cloud-based data and analytic applications	-	-	-
05/20/2015	MSN Communications, Inc.	ConvergeOne, LLC	Data Processing and Outsourced Services	Network integration services	-	-	-
05/19/2015	PepperLip, Inc., Get My Graphic	eLearning Brothers, LLC	Internet Software and Services	Online graphics database	-	-	-
05/12/2015	Resolution1 Security, Inc. - Seller: AccessData Group, Inc.	General Dynamics Fidelis Cybersecurity Solutions Inc.	Systems Software	Incident resolution solutions	-	-	-

1. Total enterprise value.

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Sources: S&P Capital IQ and W Partners research and estimates.

Utah M&A Transactions (Cont'd)

Announced Date	Target	Acquiror	Target Industry	Target Business Description	Size (\$mm)	TEV ¹ /Revenue	TEV ¹ /EBITDA
Information Technology (continued)							
04/28/2015	ContactPoint LLC, Phone Coaching And Training Division - Seller: ContactPoint, L.C.	CallSource, Inc.	Internet Software and Services	Phone coaching and training services	-	-	-
04/20/2015	Orchestrate, Inc. - Seller: EPIC Ventures*	CenturyLink, Inc. (NYSE:CTL)	Internet Software and Services	Database solutions	-	-	-
04/10/2015	Harmony Central, Inc.	Gibson Brands, Inc.	Internet Software and Services	Online musicians portal	-	-	-
04/02/2015	Self Storage Company LLC, Storage.com - Seller: Self Storage Company LLC	B ² Interactive LLC	Internet Software and Services	Self-storage aggregation website	-	-	-
Materials							
06/23/2015	Tecnoelastomeri SRL	Huntsman Corporation (NYSE:HUN)	Commodity Chemicals	Chemical commodity provider	-	-	-
04/06/2015	CML Metals Corporation - Seller: CML Holdings, Inc.	Gilbert Development Corporation	Steel	Iron ore producer and supplier	\$12	-	-
Utilities							
06/22/2015	Latigo Wind Park	Sustainable Power Group, LLC	Renewable Electricity	Wind energy park	-	-	-
05/12/2015	Solairedirect SA, Adera Facility	Sustainable Power Group, LLC	Renewable Electricity	Solar energy project	-	-	-

1. Total enterprise value.

Note: Reflects all disclosed M&A transactions excluding real estate where the acquiror, target or seller headquarters are in Utah. The Utah-based company is denoted in bold. * indicates that the seller was one of a group of sellers.

Sources: S&P Capital IQ and W Partners research and estimates.

Utah Private Placement and Venture Capital Activity

Capital continued to flow in Utah during the second quarter as more than \$500 million in disclosed private placement and venture capital investments were made into a diverse group of companies. Notable transactions included Domo raising over \$200 million and TechMediaNetwork raising \$135 million. Domo raised its Series D round at a \$2 billion valuation and brought in BlackRock, the worlds largest investor with over \$1 trillion under management, to lead the round. After closing this round, Domo has raised over \$450 million to date and has an investor base that is capable of providing significant further funding while the business continues to grow as a private enterprise.

Announced Date	Issuer	Round/Investors(s)	Issuer Industry	Issuer Business Description	Amount Raised (\$mm)
Consumer Discretionary					
06/22/2015	DirectScale, Inc.	Not disclosed	Advertising	Marketing and brand management services	\$4
05/06/2015	Campus Book Rentals, Inc.	Not disclosed	Specialized Consumer Services	Textbook rental services	\$6
Financials					
06/19/2015	Snap Advances LLC	Not disclosed	Specialized Finance	Merchant cash advance services	\$28
Healthcare					
06/19/2015	Veridicus Health LLC	Leavitt Equity Partners ; Gauge Capital, LLC	Healthcare Services	Pharmacy solutions	\$16
Information Technology					
06/30/2015	Venafi, Inc.	Series F: Foundation Capital; Silver Lake; Pelion Venture Partners; QuestMark Partners; Intel Capital; Mercato Partners	Systems Software	Cyber security solutions	\$39
06/10/2015	ContactPoint, L.C.	Series B	Internet Software and Services	Call marketing analytics	\$9
06/09/2015	eFileCabinet, Inc.	Series B: Allegis Capital; Signal Peak Ventures	Internet Software and Services	Document management software products	\$14
06/04/2015	Canopy Tax Inc.	Series A: New Enterprise Associates; EPIC Ventures ; Deep Fork Capital	Internet Software and Services	Tax and accounting software platform	\$7
06/02/2015	HireVue, Inc.	Sequoia Capital; Technology Crossover Ventures; Granite Ventures, LLC; Investor Growth Capital; Rose Park Advisors, LLC; Peterson Ventures, LLC	Internet Software and Services	Digital recruiting solutions	\$45
05/22/2015	TechMediaNetwork, Inc.	Canso Investment Counsel Ltd.	Internet Software and Services	Digital content and commerce services	\$135
04/03/2015	MX, Inc.	Series A: USAA Investment Management Company; DG Incubation, Inc.	Application Software	Omnibanking application	\$30
04/02/2015	Domo, Inc.	Series D: Glynn Capital Management; BlackRock, Inc. (NYSE:BLK); GGV Capital; The Capital Group Companies, Inc.	Internet Software and Services	Executive management software platform	\$210

Please contact the W Partners team for additional information regarding M&A transactions, private placements, venture capital investments or public market valuations in your particular industry or sector:

Todd Wilson
 Managing Director
 Phone: 858.333.8445
 twilson@wpartners.com

Joel Weinstein
 Director
 Phone: 858.333.8447
 jweinstein@wpartners.com

San Diego Office
 4370 La Jolla Village Drive
 Suite 303
 San Diego, CA 92122
 Phone: 858.333.8444

Salt Lake City Office
 6340 South 3000 East
 Suite 500
 Salt Lake City, UT 84121
 Phone: 801.890.4175

www.wpartners.com

Selected Transactions by W Partners

TARGET SOLUTIONS

Was Acquired by

Vector Learning!
Leaders in Online Education & Training

Financial Advisory

COASTPET
DISTRIBUTORS

Was Acquired by

Animal Supply Co.

Financial Advisory

the four foods group

Master Franchisee and Exclusive Development Agent for

KNEADERS
BAKERY & CAFE

Financial and Strategic Advisory

Luna Grill
fresh mediterranean

Private Placement of Debt and Equity Securities

Financial Advisory

MODERN MACHINERY

\$95 Million Credit Facility

Bank of America

usbank

Financial Advisory

seaspan

\$100 Million Private Placement

MetLife

Financial Advisory

seaspan MARINE

Acquired the Marine Transportation Assets of

SMIT

Financial Advisory

The Washington Companies

Strategic Advisory

seaspan

\$200 Million Credit Facility

TD HSBC

Financial Advisory

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