



Cornerstone Industrial Group acquires high quality niche manufacturers, distributors and service providers having the potential for long-term growth. Cornerstone works with the senior managers of each business to develop strategic plans setting the framework for growth. While we don't participate in day-to-day operations, Cornerstone assists management by providing additional resources where appropriate. Founded in 1998, Cornerstone has acquired 10 businesses to date.

OUR APPROACH TO BUSINESS OWNERSHIP

- **Smooth Ownership Transition** – We seek to preserve the traditional strengths of the business while providing resources for new levels of achievement
- **Partnership With Management** – We work as advisors to management, supporting their efforts where needed
- **Long-term Perspective** – We seek to position the business for sustainable growth over the long run
- **Focus on Growth Strategy** – We work with management to develop a long-term growth strategy and the annual plans that ensure strong execution
- **Operational Independence** – Each of our businesses is operated and financed independently, and each management team is empowered to run their business
- **Strong Balance Sheet** – We ensure that each of our businesses has adequate capital to achieve their growth plans and carry on through periods of soft demand

Why We Are Different:

- Business Owner's Perspective
- Long-Term Approach
- Partnership with Owners and Managers
- Extensive Management and Problem Solving Expertise
- Significant Business Process Experience and Lean Optimization
- Proven Track Record
- Creative Deal Structuring



Mike Adams Todd McCuaig

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Investment Criteria

Industries / Sectors:

- Niche Manufacturing
- Value-added Distribution and Logistics
- Business Services
- Software and IT Service

Business Characteristics:

- Branded, proprietary products or differentiated technology / service
- Large and growing end markets
- Sustainable competitive advantages and market position
- Long-standing customer relationships
- Outstanding product / service quality
- No prior institutional ownership
- Customer and product diversification (< 20% of sales)

Business Size:

- Cash Flow up to \$7 million

Ownership:

- Majority or minority

Geographic Focus:

- Cornerstone considers transactions in the Eastern half of the United States and Canada with a primary focus on:
 - Great Lakes Region (MN,WI,IL,IN,MI,OH,NY,PA)
 - Southern Ontario

Transaction Types:

- Business Acquisition
- Recapitalizations
- Growth Financings
- Underperforming and/or Turnarounds

Avoided Situations:

- Start-ups or pre-revenue businesses

About Cornerstone

Michael C. Adams, Managing Director



Mr. Adams founded Cornerstone Industrial Group in 1997 after 10 years in investment banking. Mr. Adams has acquired nine manufacturing businesses and remains an active owner of two. As Chairman of Swiss-Tech Holdings, Mr. Adams is actively involved in key management decision-making, strategic

development and implementation as well as ongoing acquisition activities. He served as interim CEO of Swiss-Tech in 2011-2012.

Mike served as President of Cornerstone Industrial Holdings, a converter of flexible, non-metallic materials. He was also President and CEO of Midwest Tooling Group, a company formed to acquire and consolidate plastic tooling manufacturers. During his time in investment banking with NatCity Investments, Reserve Capital Group, Prescott, Ball & Turben and L.F. Rothschild (New York), Mr. Adams focused on sourcing, structuring and executing mergers and acquisitions for middle-market companies. He also worked on a variety of public offerings, private placements of debt and equity securities and valuations of privately held companies.

Mr. Adams has a Computer Science degree from Colgate University and an MBA from the University of Virginia's Darden School of Business Administration.

Todd S. McCuaig, Managing Director



Mr. McCuaig joined Cornerstone in 2005. He led the acquisition of Wahl Refractory Solutions and serves as Chairman of the Board. In 2009 and 2013, he served as interim CEO of Wahl, leading strategic assessments and repositioning of the business. Mr. McCuaig also serves on the board of Swiss-Tech Holdings and is active in Cornerstone's ongoing acquisition search.

Mr. McCuaig has 25 years experience investing in small businesses and contributing to value creation. In twelve years at National City Equity Partners, he participated in investing over \$700 million of equity and subordinated debt in more than 100 businesses in many industries, with a focus on manufacturing and industrial businesses. He has worked at the board level with more than 30 companies, actively involved in formation and implementation of business strategy. Mr. McCuaig previously managed the investment activities of a family holding company in Toronto after starting his career as an investment banker with Merrill Lynch Canada.

Mr. McCuaig has a degree in Honors Business Administration from the University of Western Ontario and an MBA from Case Western Reserve University. He also holds the Chartered Financial Analyst designation.

Cornerstone Currently Owns:



Swiss-Tech is an ISO 13485 compliant niche manufacturer of low-volume, highly engineered, precision machined components for the medical device, aerospace, fluid power and industrial markets. Through its swiss machining, turning and milling capabilities, Swiss-Tech produces a wide variety of parts in stainless steel, brass,

copper, titanium, carbon steel, nickel-based alloys and plastics to exacting tolerances of ± 0.0002 inches.



Wahl is a manufacturer of specialty refractory products for the steel, aluminum, cement and other high temperature process industries. Wahl is focused on precast and other monolithic refractories. These products offer customers increased up-time, lower installation cost and lower total lifetime cost. Wahl provides custom engineered solutions for its customers' most demanding refractory applications.