



Acquisition Update

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December 23, 2013

On December 4, 2013 Ferndale Group of Companies, LLC (“Ferndale Group”), the wholly owned small business subsidiary of Ferndale Capital Management, LLC (“Ferndale Capital”), acquired Backyard Feeds based in Leland, North Carolina from Mr. Doug Reeves, owner of D Reeves Properties LLC. Mr. Reeves is a longstanding family businessman, whose father founded a local heating and air company in 1968 and was involved in other ventures throughout his lifetime. Mr. Reeves has over 40 years experience working for his late father and for his own businesses more recently. Ferndale Group is pleased to have the opportunity to acquire Backyard Feeds, further its legacy and potentially partner with Mr. Reeves on future acquisition projects.



Backyard Feeds is a community-oriented farm and ranch retailer featuring feed and supplies for livestock, pets and wild birds, as well as general lawn and garden products (seasonal greenhouse), propane, footwear and apparel. Leland, North Carolina benefits from a longstanding farm and ranch community, steady inflow of new homeowners and retirees. The current general manager and long time Leland resident, Belinda Williams, will continue to lead the store’s day-to-day stewardship with Ferndale Group serving as the corporate support center. Terms of the acquisition are not disclosed.

Sam Slater founded Ferndale Group earlier this year to provide wealth diversification and succession planning solutions to U.S. community business owners. Ferndale Group is based in New York City and will actively own businesses nationally. Backyard Feeds is a platform company to develop a larger presence across livestock feed and supply, pet, lawn & garden and hardware. To stay abreast of market trends and provide liquidity to Ferndale Group, Ferndale Capital manages a pool of publicly traded equities and non-investment grade fixed income.

By December 31, 2013, Ferndale Capital will issue a Special Dividend to its three person advisory board that continues to provide critical support throughout all phases of acquisition sourcing and execution.

Ferndale Group received legal advice from Olshan Frome & Wolosky and Dold Spath & Kiriazis while Marcum LLP provided financial advisory and accounting services. Ongoing strategic and operational advice will continue to be provided by advisory board member Brian Cousins, based in Jackson, Wyoming. Mr. Cousins has approximately 20 years of private company operating experience and is currently the VP of Business Development for Opedix, responsible for all aspects of sales, marketing and product development. Prior to, Mr. Cousins co-founded the outdoor apparel brand Cloudveil, growing it to \$19 million in sales before eventually selling to Spyder Active Sports.

About Ferndale Capital Management, LLC

Ferndale has been established to serve the growing number of prospective retirees in the United States. As a private equity firm with \$1 million under management, we lead an investment process aimed at allowing owner-operators to sell their business and elevate the next generation of management. Ferndale’s mission is to become a premier provider of succession planning services to the Retirement Boom with a focus on acquiring community-oriented businesses with \$1 to \$5 million in annual revenues.

Our vision is to create a group of companies that share the common purpose of serving their respective community through the day-to-day stewardship of a general manager who is in touch with the local customer and puts service and consistency of delivery before everything else.