



**FOR IMMEDIATE RELEASE**  
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**RIVERSIDE EARNS LEGAL VICTORY WITH SALE OF COURT-REPORTING FIRM**

*Exit of Veritext Generates 5.1x Cash-on-Cash Return*

**Deal Type:**

Sale of Veritext Holding Company to Investcorp,  
an alternative investment management firm

**Key Stats:**

5.1x Gross Cash-on-Cash Return  
38% Gross IRR  
2<sup>nd</sup> exit of 2010

**Fund Family:**

Riverside Capital Appreciation Fund 2003 (“RCAF ’03”)

**Veritext LLC**

Based in Florham Park, New Jersey

- Provider of court-reporting services to a customer base that includes leading law firms, large insurance companies, Fortune 500 corporations and regulatory agencies
- Captures testimony given during depositions for litigation ranging from local negligence cases to global, complex commercial litigation cases
- Provides services throughout the U.S. via 30 office locations in six core geographic regions, a network of 800 independent contractors and affiliations with 400 court-reporting agencies.
- During its five-year hold period, Riverside developed Veritext into a national company through organic growth and providing necessary capital to make 13 acquisitions

**Ownership Highlights:**

The sale of Veritext generated a 38% gross IRR for Riverside. Riverside grew Veritext aggressively through strategic add-ons, which were integrated rapidly and benefited greatly from Veritext’s reputation in the market and its strong infrastructure. Additionally, the add-ons deepened Veritext’s penetration of existing markets and helped increase revenue by adding customers that required Veritext for large, complex and costly cases.

The successful add-on strategy is only one part of the growth story at Veritext. Riverside also helped the company develop its infrastructure, technology, capabilities, and expertise. The net result of these efforts was consistently strong organic growth throughout the ownership period.

By doubling its national sales force under Riverside’s ownership, Veritext gained new blue-chip clients while deepening existing relationships. Veritext also expanded its presence in existing markets while penetrating attractive new markets like Chicago and Wilmington.

Strategically, Riverside helped Veritext increase revenues by expanding services, capturing more complex, high-end litigation, and introducing value-added technical services and features, such as an online database that provides easier access to the company’s extensive library of transcripts.

**Quotes:**

*Andrew Strauss, Riverside Portfolio Partner*

“It was wonderful to help Veritext grow dramatically larger and more profitable, by developing new tools, solutions and approaches that better serve its customers and make it a stronger company. By helping Veritext grow through strategic add-on acquisitions and providing support and strategic ideas for increasing revenues, we leave Veritext bigger, better, and poised for future success.”

*Chip Walker, Riverside Principal*

“Most of our successful investments involve an exceptional management team at the acquired firm. The Veritext team, led by CEO Mike Sandler and COO Nancy Josephs, made for an exceptional partner in driving growth and adding value. Combined with a driven Riverside deal team, we were able to seamlessly integrate a remarkable number of valuable add-ons while remaining committed to enhancing the core competencies of Veritext. It was a pleasure to work with the management team.”

**Riverside Team:**

Andrew Strauss, Portfolio Partner; Chip Walker, Principal; and Ryan Richards, Senior Associate.

**Partners:**

Harris Williams advised Riverside on the transaction. Marks Baughan & Co. advised Investcorp on the transaction. Madison Capital Funding was the incumbent lender during Riverside’s ownership, and they are the senior financing agent for Investcorp’s acquisition.

**The Riverside Company** ([www.riversidecompany.com](http://www.riversidecompany.com) or [www.riversideeurope.com](http://www.riversideeurope.com))

The Riverside Company is a global private equity firm focused on acquiring leading small and medium-sized enterprises (with a value of up to \$200 million/€200 million) and partnering with strong management teams to enhance the success of its companies through acquisitions and organic growth. Since its founding in 1988, the firm has invested in 232 transactions with a total enterprise value of \$5.0 billion/€ 4.1 billion. The investment portfolio in North America, Europe and Asia includes 72 companies with annual sales totaling \$3.3 billion/€2.7 billion, EBITDA of \$506 million/ €415 million and more than 13,000 employees (June 2009). Riverside offers the resources to complete acquisitions smoothly – thanks to its more than \$3.0 billion/ €2.5 billion in assets under management, more than 185 professionals in 19 offices (Atlanta, Brussels, Budapest, Chicago, Cleveland, Dallas, Hong Kong, Los Angeles, Luxembourg, Madrid, Melbourne, Munich, New York, Prague, San Francisco, Seoul, Stockholm, Tokyo and Warsaw) and its longstanding relationships with partner lenders. According to Thomson Venture Economics, seven of Riverside’s nine mature funds rank in the top 25% of all funds (as at December 31, 2009). The firm’s investors include the world’s leading pension funds, endowments, funds of funds, insurance companies and banks.

**Veritext LLC** ([www.veritext.com](http://www.veritext.com))

Veritext provides court-reporting services to law firms, insurance companies, and corporations. Veritext arranges for court reporters to capture testimony given during depositions, primarily in civil litigation and other proceedings. Veritext provides its services through regional offices, a national network of independent contractors, and affiliations with hundreds of court-reporting agencies and individual court reporters.

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