

Catalyst/Hall Announces \$150 million Fund Ripe for Investment in Middle Market Companies

Houston, TX, February 12, 2003 – Catalyst/Hall, a leading private equity firm specializing in providing value-added mezzanine and equity capital to mid-market companies, announced today that it has formed a \$150 million fund devoted to building companies in the Southwest & Midwest regions of the US.

Catalyst/Hall is a partnership created by The Catalyst Group, Inc. and Hall Brothers Holdings, with offices in Oklahoma City, Houston and Chicago, to expand its geographic reach and investment opportunities.

“We are actively pursuing targeted investments in middle market companies with solid, established business franchises, owned and operated by outstanding management teams, exploiting defendable market niches,” said Rick Herrman, Managing Partner, Catalyst Hall.

Catalyst/Hall provides debt and equity capital to middle market companies with revenues of \$10-\$100 million to finance organic and/or external growth and expansion; recapitalizations of family-owned or closely held companies; generational changes in ownership; management buyouts of private companies or of divisions of larger public or private companies; and additional purposes.

Targeted companies must have a minimum operating income of \$1 million, have been in operation at least three years, and must be headquartered in the United States, preferably, but not necessarily in the Southwest or Midwest regions. Mezzanine debt investments are available and typically range from \$1-5 million, while equity investments will range from \$2-7 million. Catalyst/Hall can invest larger sums, in combination with its affiliates and third party investors.

The funds will invest in a broad spectrum of industries including:

- ♦ Manufacturing
- ♦ Distribution
- ♦ Retail
- ♦ Energy Service (upstream and downstream)
- ♦ Healthcare
- ♦ Entertainment
- ♦ Food Service, Restaurants
- ♦ Business Services
- ♦ Technology (later stage)

As a value-added investor, Catalyst/Hall works closely with its portfolio companies to achieve their financial and strategic goals. The group strives to provide perspective, experience as operators and investors in middle market companies, as well as analytical resources necessary to refine and formalize business tactics and

strategies; finance growth; optimize the capital structure; and identify and negotiate downstream expansion, including acquisitions.

“The principals of Catalyst/Hall have provided a substantial majority of funding to the investment funds,” said Fred Hall, a Partner in Catalyst/Hall and President of Hall Brothers Holdings. “In forming Catalyst/Hall, our respective organizations have combined top flight , seasoned middle market equity managers and investment advisors, with seasoned operating managers, to invest and manage this capital.”

Catalyst/Halls’ investors include high net worth families, institutions and principals of the partnership. Catalyst/Hall is focused on intermediate to long-term value creation and capital appreciation by focusing on positioning portfolio companies to be “best of breed” enterprises.

About Catalyst/Hall

Catalyst/Hall specializes in providing value-added mezzanine and equity capital to middle market companies. The firm manages \$150 million of committed capital from its investment partners. With offices in Houston, Chicago and Oklahoma City, Catalyst/Hall provides experience, analytical resources and outside perspective to support their portfolio companies to optimize operating results and value appreciation.

Catalyst/Hall is a partnership between The Catalyst Group, Inc. of Houston, and Hall Brothers Holdings (HBH) of Oklahoma City. The Catalyst Group has managed private equity and mezzanine funds since 1990 with investments in over 50 companies in a broad range of industries. HBH is a private investment firm specializing in middle market equity and mezzanine investments, with offices in Oklahoma City, Chicago and Houston. Previously, affiliates of HBH owned and operated The Fred Jones Companies, growing sales from \$200 million to \$750 million through 16 acquisitions.

For a list of portfolio groups and more information about Catalyst/Hall visit www.CatalystHall.com