



CHARLOTTE

COLUMBIA

RALEIGH

RESEARCH TRIANGLE PARK

ROCK HILL

January 2007

Dear clients, colleagues and friends:

This year marks the 15th anniversary of the first private equity deal closed by Kennedy Covington. We wanted to take a moment to thank you for the opportunities to work with you in 2006 and in years past, and to share some of our notable accomplishments from this past year.

Deal flow remained strong in 2006 for our Mergers & Acquisitions and Private Equity practices, as our attorneys closed more than 90 M&A and private equity transactions across the country, involving total consideration of more than \$1.75 billion, including our representation of:

- Affiliates of **Bank of America Corporation** in a variety of investment and strategic matters including our representation of **Banc of America Capital Investors** in the sale of its portfolio company, Mattress Giant Holding Corporation, to an affiliate of Freeman Spogli & Co.
- Affiliates of **Wachovia Corporation** in a variety of financing, strategic and acquisition transactions including the strategic acquisition of the defined contribution recordkeeping business of Ameriprise Financial, Inc.
- **Carousel Capital Partners** on several transactions, including its investment in AGDATA, Inc., a leading provider of database management, marketing program administration and data collection and analysis services.
- **Springs Industries, Inc.** in its sale of its area and accent rugs business to C.S. Brooks World Carpets, Inc.
- **New South Companies, Inc.** in its \$205 million sale to Canfor Corporation.
- **NewWave Communications, LLC**, a portfolio company of **Wachovia Capital Partners**, in its acquisition of cable systems from Charter Communications and several sales of cable assets.

Kennedy Covington ranked the highest among Southeastern-based law firms in terms of the number of closed private equity and venture capital deals and highest among Carolinas-based law firms in terms of the number of investment funds raised in the *Private Equity Analyst* league tables released in 2006.

Ten partners in our corporate, M&A and private equity practices were recognized in *The Best Lawyers in America*: Steve Rhyne, Kent Christison, Mike Hawley, Sean Jones, Gene Pridgen, Norfleet Pruden, Zach Smith, Ace Walker, Bob Womble and Rick Giovannelli. Kevin Stichter and Rick Giovannelli also co-chaired the fifth annual Private Equity and Mezzanine Finance Conference in Charlotte in November, which had more than 250 attendees.

Additionally, two partners on our tax team were recognized in *The Best Lawyers in America* and our transactional tax team was strengthened further by adding Kevin Coenen, formerly a tax partner with Kirkland & Ellis in Chicago.

We expect deal flow in 2007 to remain strong and look forward to ongoing opportunities to partner with our clients, colleagues and friends to execute challenging and interesting transactions. Please contact any of us or any member of our team to obtain more information about our capabilities or for assistance with your legal matters. Thank you and best wishes for 2007!

Steve Rhyne
704-331-7441
srhyne@kennedycovington.com

Kevin Stichter
704-331-7582
kstichter@kennedycovington.com

Rick Giovannelli
704-331-7484
rgiovannelli@kennedycovington.com