

**FOR IMMEDIATE RELEASE**

**Z CAPITAL PARTNERS PROMOTES FOUR INVESTMENT TEAM MEMBERS  
TO SENIOR MANAGING DIRECTOR-PARTNER**

**LAKE FOREST, IL – NOVEMBER 5, 2012** – Z Capital Partners, L.L.C., a private equity firm focused on revitalizing businesses, today announced that four members of its team – Martin J. Auerbach, Esq., Christopher J. Kipley, Rahul Sawhney and Jonathan Schmugge – have been promoted to Senior Managing Director and Partner. All four individuals were previously Managing Directors.

James Zenni, President and CEO of Z Capital Partners, said, “We are pleased to recognize the achievements and hard work of these outstanding professionals. Our new Senior Managing Directors have made outstanding contributions during their tenure with Z Capital Partners and we look forward to their continued success.”

**About the Senior Managing Directors**

**Martin Auerbach**

Martin Auerbach is Senior Managing Director and General Counsel to Z Capital, and was previously consulting general counsel to Black Diamond Capital Management, L.L.C. ("BDCM"). Mr. Auerbach has established a distinguished career spanning over thirty years. He is an attorney specializing in the representation of financial institutions and their management, and large international companies and their officers and directors, principally in crisis management, regulatory and governmental proceedings and internal inquiries.

Some of Mr. Auerbach's recent assignments include: consulting special counsel to the board and corporation of United Rentals Inc.; counsel to Paul Volcker in connection with Arthur Andersen; counsel to the Vice Chair of Cendant; counsel to the President of Global Crossing; counsel to senior Enron bankers; counsel to significant participants in the crises at Computer Associates, Adelphia and Imclone; SEC and NYAG investigations of market timing, research analysts, and insurance industry practices, and internal investigations for Citigroup, Jefferies and in connection with Royal Ahold.

Prior to entering private practice, Mr. Auerbach served as an Assistant United States Attorney responsible for large-scale tax prosecutions, served as a law clerk for a Senior United States District Judge and served on the Professional Staff of the Energy and Commerce Committee of the United States House of Representatives. Mr. Auerbach has developed wide-ranging experience with complex financial, accounting and regulatory issues in his over thirty years as an attorney and counselor at law.

Mr. Auerbach holds a Juris Doctor degree with honors from Harvard Law School and a B.A. with high honors from Harvard College.

**Christopher Kipley**

Christopher Kipley is a Senior Managing Director of Z Capital and is a member of the Investment Team. Mr. Kipley is a member of the Board of Directors for Mrs. Fields Famous Brands, LLC and Real Mex Restaurants, and was previously on the boards of Automotive Aftermarket Group, LLC, Smarte Carte Corporation and Sun World International, LLC.

Prior to joining Z Capital, Mr. Kipley was a Managing Director with Black Diamond Capital Management, L.L.C. ("BDCM") where he was responsible for managing distressed debt/private equity investments. During his tenure with BDCM, Mr. Kipley managed investments in debt securities ranging from par credits to deeply distressed credits, was responsible for the ongoing monitoring of portfolio

investments, actively participated in all aspects of the workout process for both in-court and out-of-court restructurings, executed acquisitions and sales of portfolio companies, and spearheaded the recruitment, hiring and retention of senior management at portfolio companies.

Prior to joining BDCM in May 1998, Mr. Kipley was an Associate in Bank of America NT&SA's corporate finance department, where he was responsible for performing comprehensive credit analysis on existing and prospective borrowers. Prior to joining Bank of America NT&SA in August 1996, Mr. Kipley was a Senior Financial Analyst in The Chase Manhattan Bank, N.A.'s corporate finance department.

Over his career Mr. Kipley has participated on the steering committees for or has been actively involved in the restructurings of the following companies: ARI Holdings, Inc.; American Safety Razor Company; Carmike Cinemas, Inc.; Classic Cable, Inc.; Diamond Brands Operating Corp.; Fleming Companies, Inc.; Imperial Sugar Company; Interstate Bakeries Corporation; Mrs. Field's Famous Brands, LLC; New World Pasta Company; Sleepmaster, L.L.C.; Real Mex Restaurants, Smarte Carte Corporation; Sun World International, LLC; Waddington North America, Inc.; and WinsLoew Furniture, Inc.

Mr. Kipley received his B.A. in Psychology from the University of Michigan, where he graduated with distinction. Mr. Kipley is a CFA charterholder.

### **Rahul Sawhney**

Rahul Sawhney is a Senior Managing Director of Z Capital and is a member of the Investment Team. Mr. Sawhney is currently on the board of directors of Neways Holdings, Ltd. and previously was a member of the Board of Directors of Thomas Nelson, Inc. Mr. Sawhney was actively involved in the restructurings or recapitalizations of Thomas Nelson, Inc., Neways Holdings, Ltd., and Focus Products Group, LLC. Mr. Sawhney has led various operational and value creation initiatives including guiding the strategic direction, affecting recapitalizations and non-core asset sales and spearheading the recruitment, hiring and retention of executive management for portfolio companies.

Prior to joining Z Capital, Mr. Sawhney was a member of the investment team at Black Diamond Capital Management, L.L.C. ("BDCM") where he made and managed investments in non-investment grade companies across a number of industries including Automotive, Consumer Products, Containers & Packaging, Metals & Mining and Technology.

Mr. Sawhney joined BDCM from JPMorgan Chase & Co. ("JPM"), with significant credit and restructuring experience. During his nine-year tenure at JPM, Mr. Sawhney had senior roles within Corporate Risk Management, Debt Capital Markets and the Managed Assets (distressed debt) group. At JPM, Mr. Sawhney had substantial success in middle-market turnarounds and restructurings.

Mr. Sawhney received a Master of Business Administration degree with honors from the University of Chicago and a Bachelor of Technology in Electronics & Communications Engineering degree from the National Institute of Technology, India. He is a member of the CFA Institute and the Turnaround Management Association.

### **Jonathan Schmutge**

Jonathan Schmutge is a Senior Managing Director and the Chief Financial Officer of Z Capital, and is responsible for all aspects of Z Capital's accounting and financial reporting. Prior to joining Z Capital, Mr. Schmutge was the former Chief Financial Officer and Chief Accounting Officer of Black Diamond Capital Management, L.L.C. ("BDCM") where he was responsible for all aspects of BDCM's financial reporting, tax filings and accounting.

During his ten-year tenure with BDCM, Mr. Schmugge managed an accounting department of substantial size with responsibility for all of BDCM's hedge fund and distressed debt/private equity investments. Mr. Schmugge has extensive experience in the accounting, finance and operations of privately-held investment management companies.

Prior to joining BDCM in March 1997, Mr. Schmugge was a fund accountant with Oppenheimer & Co., Inc.'s ("Oppenheimer") hedge fund accounting department where he was responsible for daily valuation and monthly reporting for several of Oppenheimer's hedge funds. Prior to joining Oppenheimer in May 1996, Mr. Schmugge was a fund accountant for Appaloosa Management, L.P. ("Appaloosa"), where he was also responsible for accounting for Appaloosa's management company.

Mr. Schmugge received his B.B.A. in Public Accounting from Hofstra University. Mr. Schmugge received his CPA in 1995.

### **About Z Capital Partners**

Z Capital Partners, L.L.C. is a leading Chicago-based private equity firm that specializes in making investments in distressed middle market companies utilizing the restructuring and/or bankruptcy process, opportunistic acquisitions and special situations. Z Capital utilizes its operational and restructuring expertise to work with management on enhancing enterprise value and achieving superior risk-adjusted returns for its investors. Z Capital's investors include prominent global endowments, financial institutions, pension funds, insurance companies, foundations, family offices, and wealth management firms. For more information, please visit [www.zcap.net](http://www.zcap.net).

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