

John Drake

Senior financial executive whose 30 year career includes a strong background in private, early stage to middle market company financial leadership for growing companies, raising/managing working capital, accounting process improvement, identifying/communicating KPIs, business model & financial dynamics synchronization and team building.

Process Improvement • CFO Leadership • Cash Flow Management

- **Re-engineer accounting processes and systems for Graphic Communications**, a \$1 billion multinational wholesale paper distributor; revised task assignments to provide clearer lines of responsibility; identified and corrected deficiencies in communications between back office and sales force; accelerated customer billing process; reduced the monthly close process to 3 days (from 1 month); reduced inventory balances by nearly 50% (freed up \$15M to \$20M); reduced DSO to mid 30s from mid 40s on receivables in \$50M to \$100M range.
- **Implemented a leveraged ESOP** as part of the management buyout of Graphic Communications. While under time constraints the management team successfully negotiated a valuation with seller and ESOP trustee, recruited a banking group to finance the transaction, and kept the work force on task throughout the ownership transition.
- **Rebuilt revenue recognition and loan loss reserve process** for a consumer finance company. Transitioned the company from a “modified” cash basis to accrual and developed static pool analysis to support loan loss reserves. Maintained communications with management team, bankers, and investors on changes.

Career Summary

Hardesty, LLC	<i>Partner, 2013 - present</i>
<ul style="list-style-type: none"> • Hardesty, LLC is a national professional services firm that provides on-demand financial management executives to companies ranging from emerging growth to large public entities through a variety of flexible offerings. Our firm provides professional CFOs, treasurers, controllers and other financial management with deep operational management expertise. 	
CIG Financial, LLC	<i>CFO, 2011 - 2013</i>
<ul style="list-style-type: none"> • A family owned consumer finance company as it expanded from a Southern California footprint into several states and prepared for first securitization transaction. • Transitioned company's accounting processes and practices to national accounting firm standards. Implemented new accounting processes for revenue recognition and loan loss reserve, and developed more complete and robust KPIs. • Supported founder in raising \$20M of mezzanine capital and developed the cash flow forecasting models to evaluate and monitor covenant compliance and working capital needs. 	

Graphic Communications Holdings Inc.

CFO, 1999 - 2010

- Responsible for accounting, financial reporting, banking relationship, customer credit limits, I/T, H/R, risk/insurance, ESOP compliance, and working capital management, under independent/private and subsequently private equity ownership.
- Re-engineered accounting processes and systems. Developed KPIs by customer, product, sales team and negotiated numerous revolving credit facilities. Implemented a leveraged ESOP as part of a MBO to purchase company from founder and subsequently acted as inside trustee for ESOP.
- Lead due diligence efforts for sales to PEG. Subsequent to sales, continued as CFO with primary responsibility for accounting, financial reporting, customer credit limits, risk/insurance, and working capital management.
- Near seamlessly managed and merged another portfolio company operation into Graphics (+\$300M in sales added). Managed company's customer credit exposure during 2008 – 2009 economic downturn. Managed preparation of numerous financial reviews with PEG in preparation for possible sale.

Thrinque Systems

Interim CFO, 1994

- Interim CFO for software development company in near start-up phase. Supported venture capital investors in secondary debt raise.

Tully Health Systems

Principal/Co Founder 1993-1999

- Principal/Co founder for software development company with focus on specialty healthcare patient records. Contributed across organization in areas of financial management, marketing, and client relations. Instrumental in raising initial start-up funding from major customer.

Newport Dental

CFO, 1991 - 1993

- CFO in a turnaround situation for specialty healthcare company. Reduced G&A costs through staff and salaries reductions, company lead on out-of-court bankruptcy process to reduce vendor debt by 75%+, and rebuilt relationship with lender.

Education

Affiliations

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| <ul style="list-style-type: none"> • University of Southern California / MBA • University of California, Los Angeles / BA Economics | <ul style="list-style-type: none"> • California CPA (inactive) • Affiliated with National Center for Employee Ownership |
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Specific Transaction Experience

CIG Financial (2011)

Supported founders negotiations to raise senior subordinated debt from Crestline Opportunistic Strategies Group, a hedge fund. Prepared pro- rojections to support borrowing capacity and managed relationships with due diligence auditors and hedge fund financial analysts. Developed cash flow forecasting model to evaluate and monitor covenant compliance.

- **Transaction attorneys:** Christie Law firm
- **Accountant:** Kushner, Smith, Joanou & Gregson
- **Financial Sponsors:** Crestline

Graphic Communications (2003)

Supported the management team's negotiations to sell the company to Bain Capital. Prepared financial analysis to explain quality of earnings by client and product line, participated in numerous due diligence sessions with buyers, and prepared pro forma projections to support valuation. Managed relationship with ESOP advisors, ESOP trustee, banking group and management team.

- **Transaction attorney:** McDermott Will & Emery
- **Accountant:** Ernst & Young
- **Financial Sponsor:** Bain Capital

Graphic Communications (2001)

Supported the management team's negotiations to purchase the company with seller financing combined with a leveraged ESOP to complete the transaction. Successfully recruited key bankers to provide \$70 million revolving credit and term facilities. Developed the Company's pro forma projections, with balance sheet and cash flow, to support valuation and debt capacity. Managed relationship with ESOP advisors, ESOP trustee, banking group, selling shareholder, and management team.

- **Transaction attorneys:** McDermott Will & Emery
- **Accountant:** Ernst & Young
- **Financial Sponsor:** Comerica Bank/La Salle Bank/Union Bank/US Bank

Thinque Systems (1999)

Supported the management team and venture capital investors to raise senior debt from accredited investors. Prepared pro-forma projections to support borrowing capacity.

- **Accountant:** Deloitte
- **Financial Sponsors:** Innocent