

**FOR IMMEDIATE RELEASE**

**BRENTWOOD ASSOCIATES ACQUIRES K-MAC HOLDINGS CORP.**

LOS ANGELES – March 17, 2011 – Brentwood Associates, a leading Los Angeles-based private equity investment firm, announced that it has acquired K-MAC Holdings Corp., headquartered in Fort Smith, Arkansas. K-MAC is one of the largest Taco Bell franchisees in the U.S. and also operates KFC and Golden Corral restaurants. K-MAC is led by President and CEO Sam Fiori and COO Tina Reagan, who will both continue to lead the business going forward.

Founded in 1964 by Ken McGruder, K-MAC has grown to be one of the largest YUM! franchisees in the country. The company has grown over the past few decades through a combination of new store openings and acquisitions. Today, K-MAC operates 190 restaurant locations, including 166 Taco Bell restaurants, 19 KFC restaurants and 5 Golden Corral restaurants. The company's stores are located in the six states of Arkansas, Indiana, Missouri, Oklahoma, Tennessee and Texas.

Brentwood is partnering with Arlon Food and Agriculture Investment Program and Northwestern Mutual Capital on the equity portion of the transaction. Rahul Aggarwal, Managing Director at Brentwood, commented, "We are delighted to partner with Sam, Tina and the rest of the management team at K-Mac. Sam and Tina have done a tremendous job building an outstanding team and cultivating a cohesive, result-oriented culture."

Commenting on the new partnership, CEO Fiori said, "I am excited to partner with Brentwood and Arlon. They truly understand our business, and I look forward to the experience, strategic input and financial resources that they will bring to bear as we continue to grow the business." Tina Reagan, COO, also commented, "I believe the new ownership appreciates the fact that our unique culture and passionate people are the key drivers of our success."

Anthony Choe, Partner at Brentwood Associates, added, "K-MAC has achieved tremendous growth and success throughout its history. We look forward to leveraging our expertise in growing consumer businesses to help management continue its growth into the future."

This marks the third investment in the restaurant industry, and second investment Brentwood has made in the YUM! system. In 2004, Brentwood made an investment in Pacific Island Restaurants, a franchisee of 89 Pizza Hut and Taco Bell restaurants in Hawaii, Guam and Saipan. K-MAC is the seventh investment from Brentwood Associates Private Equity IV, L.P.

BofA Merrill Lynch, Wells Fargo Bank, and SunTrust Robinson Humphrey were joint lead arrangers on the senior debt financing supporting the acquisition.

Brentwood was represented by Burr & Forman LLP in conjunction with the transaction and Latham & Watkins LLP on the debt financing.

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### **K-Mac Holdings Corp.**

K-Mac Holdings Corp. is a leading quick-service restaurant franchisee founded in 1964 and headquartered in Fort Smith, Arkansas. The company is one of the largest Taco Bell franchisees in the country, operating 166 Taco Bell restaurants. The company also operates 19 KFC restaurants and 5 Golden Corral restaurants. The company has a regional concentration in the South Central region of the U.S., with restaurants located in Arkansas, Indiana, Missouri, Oklahoma, Tennessee and Texas.

### **Brentwood Associates**

Brentwood Associates is a consumer-focused private equity investment firm with over \$750 million of capital under management and a thirty-year history of investing in leading middle-market growth companies. Brentwood focuses on investments in growing businesses where it is able to leverage its extensive experience in areas such as: branded consumer products; consumer services; direct marketing, including direct mail and e-commerce; education; health and wellness; restaurants; and specialty retail. Since 1984, Brentwood's dedicated private equity team has invested in 38 portfolio companies with an aggregate transaction value of over \$5 billion. With significant experience in both investing and brand building, Brentwood is a value-added partner with entrepreneurs and executives building world-class companies. For more information about Brentwood, please visit [www.brentwood.com](http://www.brentwood.com).

### **Arlon Food and Agriculture Investment Program**

Arlon Food and Agriculture Investment Program (AFAP) invests in middle market companies across various stages of the food and agriculture supply chain, including production, processing, distribution, food service and retail. AFAP seeks to achieve attractive long-term returns by combining its well-developed investment process in the food and agriculture sectors with the strategic insight of an experienced industry participant.

### **Northwestern Mutual Capital**

NMC manages a \$6.5 billion global mezzanine and private equity portfolio, comprised of both direct junior capital and limited partnership investments. Since 2005, NMC has invested over \$4.8 billion alongside leading private equity sponsors in mezzanine, second lien, preferred & common equity, and other junior securities. As investors in private equity since the 1970s, NMC has a long-term, strategic commitment to our sponsor partners and the asset class.

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