



CAL NET TECHNOLOGY GROUP WAS ACQUIRED BY NEXUSTEK

Our Client:

Cal Net Technology Group ("Cal Net") is a national managed services provider ("MSP") of outsourced IT, cloud, security services and unified communications to organizations with as few as 10 to as many as 2,000 employees. Services are provided to customers across Southern California through both onsite and remote delivery models. Cal Net is a highly recognized MSP receiving numerous recognition and awards including Southwest Region Partner of the Year by Microsoft, IT Service Partner of the Year by the Los Angeles Business Journal and top 50 Managed Services Provider in North America by the MSPMentor 501 List.

The Transaction:

In June 2018, Cal Net was acquired by NexusTek which is a leading IT services firm headquartered in Denver, Colorado. Cal Net was the fourth acquisition completed by NexusTek in 2018. With the acquisition of Cal net, NexusTek serves almost 2,700 organizations across 47 states with more than 300 employees. NexusTek is backed by Abry Partners ("Abry") which is private equity investment firm with over \$5 billion of capital under management which focuses on the media, communications and information services sectors.

How Pursant Helped:

Pursant's role with Cal Net spanned almost two years with various roles and responsibilities that demonstrated our depth and breadth of capabilities.

Beginning in Q4 2016, we served as the interim CFO focused on leading the integration of three recently completed acquisitions and bringing enhancement to the overall accounting/financial environment. Early in 2017, the Company hired a local, permanent CFO as well as a controller. After successfully on-boarding and transitioning all day-to-day responsibilities to the new financial leadership team, our role shifted and we managed key strategic initiatives and special projects through mid-2017.

In 2018, Cal Net re-engaged Pursant to help manage the competitive M&A process which resulted in the merger with NexusTek. While Cal Net was being represented by an investment bank, they hired Pursant for our tactical transaction execution expertise. Specifically, our role was to lead the Cal Net team through multiple prospective acquirors' due diligence and to do so in an efficient fashion that minimized disruption to the normal business operations.

Accolades:

Seller Remarks

James Hwang, former Cal Net CEO and current NexusTek COO

We were initially introduced to Scott and his Pursant team by our previous private equity owners back in 2016. At the time, I was recently promoted to the CEO position. Just prior to being appointed to the CEO role, the Company completed the largest of our three acquisitions which almost doubled the size of our organization. One of my first objectives was to bring in professional, executive level expertise to partner with me to bring together and integrate our businesses.

In late 2016 and through 2017, Pursant was a key player in our ability to integrate and to do so effectively. They provided executive leadership, were extremely accountable and equally important they were able to operate at both a tactical level to ensure "things got done" and lead the team by example as well as at an executive/BOD level quickly earning the respect of the BOD and lenders. We knew when a task was under Pursant's watch, it would get done right the first time and communication would be proactive and on-point.

In 2018, we were evaluating M&A opportunities. While we did not need Pursant to broker our transaction, we knew we needed help executing all the work associated with completing a transaction. We immediately thought of the Pursant team as we knew we could count on them to provide the leadership, guidance and support necessary to execute an efficient diligence process.

We thank Pursant for all their great effort and output. They are a very dedicated group and the way in which they operate made them feel like an extension of our team as opposed to "just a vendor." We look forward to opportunities to work with them in the future.

Pursant's Remarks

Scott Glickson, Managing Director

We truly enjoyed our work with the Cal Net team. We were able to demonstrate our diverse set of experiences, skills and competencies. Our work covered a wide range of activities from very tactical exercises associated with managing the day-to-day finance and accounting function to presenting to lender, investors and at Board of Director meetings. We also developed relationships with Cal Net's personnel and provided coaching and mentorship to employees across all functions and levels throughout the organization.

The merger with NexusTek presents a great opportunity for both Cal Net and NexusTek. We look forward to following the story and wish the combined new organization great success.

About Pursant:

Pursant helps companies grow enterprise value by managing their M&A related initiatives and ultimately monetize that value in a sale transaction.

Our Investment Banking, Strategic Transaction Support and Business Value Enhancement practices use a deep immersion process, our expansive networks and experience as owner/operators and dealmakers to effectively execute strategic transactions—critical events for which most companies do not have the time, manpower or expertise.