



AMERICAN SECURITIES

Giving Back

OUR VALUES IN ACTION

2011



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The American Securities Team at the largest soup kitchen in New York City, October 5, 2011.



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OUR VALUES

We strive to maintain the highest personal and corporate ethics through **honesty** and fair dealing.

We aim to be **respectful** in all of our interactions.

We are dedicated to a true **partnership** with the men and women who run the businesses in which we invest.

Our focus is always on the **long-term** interest of the companies, management teams and investors we serve.

We can only succeed through **hard work**, rigorous analysis and continually building our human capital.

We always try to have **fun** while remaining ever mindful of our responsibilities and principles.

We seek to make the world a better place by **giving back** to the communities in which we live and work.

December 12, 2011

Dear Colleagues:

I often say that everything at American Securities starts with our values. Each of our values is of equal importance, but we wanted to illustrate how those of us at the firm today truly live this particular value: “We seek to make the world a better place by giving back to the communities in which we live and work.”

I hope that reading this booklet will reaffirm for each of us just how seriously the American Securities team lives out our giving back value. The examples contained herein of what some of us have done individually and what we have done as a firm only describe some of the many volunteer commitments and philanthropic activities that the American Securities family undertakes in an effort to make the world a better place. In future reports we will highlight other areas we are impacting and describe additional activities. By including two examples from companies in which American Securities funds have invested -- Fairmount Minerals and Liberty Tire -- and their innovative and poignant undertakings in the communities in which they live, we illustrate that our portfolio companies also live our values.

When the French philosopher Alexis de Tocqueville traveled throughout America in the 1830's, he witnessed the American spirit of giving and volunteerism. Tocqueville observed that Americans help each other in times of need. He wrote, “I must say that I have seen Americans make great and real sacrifices to the public welfare, and I have noticed a hundred instances in which they hardly ever failed to lend faithful support to one another.” American Securities seeks to “walk the talk” by giving of both our collective time and talents.

I hope you share the same delight in reading this book that I do and that you will take pride in all that American Securities and our colleagues do in service to others.

Sincerely,

Michael



*Michael G. Fisch
President and CEO*

A LEGACY OF SHARING



Julius Rosenwald

Our tradition of giving back is deeply rooted and inspired by the actions of Julius Rosenwald, former President & Chairman of the Board of Sears, Roebuck & Co., who dedicated the vast majority of his wealth to charity including the construction of more than 5,300 so-called “Rosenwald Schools” throughout the South, the Chicago Museum of Science and Industry, and the University of Chicago. By 1929, his generosity totaled more than \$63 million, equivalent to over \$800 million today. His son, William Rosenwald, continued in his father’s footsteps helping establish the nationwide United Jewish Appeal (UJA) in 1939, serving like his father as a long-time Board member of Tuskegee University, and making other charitable contributions through the William Rosenwald Family Fund.

Philanthropy to Help Solve Social Problems

After the 1906 financial reorganization of Sears, Julius Rosenwald became friends with Goldman Sachs’ senior partner, Paul J. Sachs. Sachs often stayed with Rosenwald during his many trips to Chicago and the two would discuss America’s social situation, agreeing that the plight of African Americans was the most serious. Sachs introduced Rosenwald to two prominent educators and proponents of African-American education, William H. Baldwin and Booker T. Washington. Rosenwald became friends with Washington and was asked to serve on the Board of Directors of the Tuskegee Institute in 1912, a position he held for the remainder of his life. He endowed the Institute to free Washington from fundraising and enable him to devote more time managing the Institute.

Dr. Washington encouraged Rosenwald to address the poor state of African-American education in the U.S. Rosenwald responded by providing funds for the construction of six small schools in rural Alabama, which were constructed and opened in 1913 and 1914, and overseen by Tuskegee. Built by and for African Americans, the project eventually totaled more than 5,300 “Rosenwald Schools,” emphasizing the role in U.S. education that Julius Rosenwald played. Inspired by the social progressivism of Jane Addams, Minnie Low, Grace Abbott, Paul J. Sachs, and Booker T. Washington, Rosenwald devoted his time, energy, and money towards philanthropy.



Julius Rosenwald with the principal of the 4,000th school he helped build.



Julius Rosenwald and Booker T. Washington, 1915

Give While You Live

His Rosenwald Fund was established in 1917 for “the well-being of mankind.” Unlike other endowed foundations, which were designed to fund themselves in perpetuity, the Rosenwald Fund was intended to use all of its funds for philanthropic purposes. As a result, the fund was completely spent by 1948 with Rosenwald and his fund donating to public schools, colleges and universities, museums, Jewish charities and black institutions. The rural school building program was one of the largest programs administered by the Rosenwald Fund.

Rosenwald commissioned one of Chicago’s largest philanthropic housing developments: the Michigan Boulevard Garden Apartments. This project was one of the first American housing developments to mix residential, commercial and social uses and still stands. The housing project was modeled after the Dunbar Apartments built by John D. Rockefeller, Jr., in 1926 in Harlem. Built in 1929, this large, 421-unit complex complete with a playground and spacious courtyard gardens was designed to meet the housing

needs of Chicago’s growing African-American middle class, offering a new standard of living and helping relieve the tremendous overcrowding due to Chicago’s pervasive racial segregation. The development also included 14 stores and a nursery school. Rosenwald invested \$2.7 million in the project. For years, it was “the” place to live on Chicago’s segregated South Side.

Rosenwald gave \$1,000 grants to the first 100 counties in the United States to hire County Extension Agents, helping the United States Department of Agriculture launch a program that was highly valuable to rural Americans. At the insistence of his son, William Rosenwald, who had returned from a European trip where he saw the German Museum of Science and Technology in Munich, he became the principal founder and backer for the Museum of Science and Industry in Chicago, to which he gave over \$5 million and served as its President (1927–1932).

As economist Herbert Stein wrote in an op-ed dedicated to Julius Rosenwald titled “A Model of Philanthropy” published February 1998 in *The Wall Street Journal*, “Just sending a check was not Rosenwald’s method of operation. In all his giving, Rosenwald insisted that the local government assume responsibility for the operation of the schools [or other buildings] once they were complete. [He] also insisted that some support for the program[s] should come from the local community. That was difficult...because [African-Americans] were desperately poor... [In summary, this was] the story of cooperation between a white American Jew and black Americans, between the private business sector and governments, and between the providers of assistance and the receivers of assistance.”

The William Rosenwald family was the lead investor in our first private equity partnership, American Securities Partners, raised in 1994. The investment success of this fund and its successor partnerships permits American Securities to continue the Rosenwald family tradition of giving back.

AN OVERVIEW OF THE YEAR

Throughout 2011, American Securities employees contributed to over 76 different nonprofit organizations. The American Securities Foundation initiated two new programs this year. The Employee Giving Back Grant allows each administrative colleague to channel \$500 to charities of their choice. In addition, our new Matching Grant Program has American Securities match any donation made by any employee in the firm up to \$5,000. On top of their financial contributions, American Securities employees volunteered generous amounts of time and effort to many nonprofit organizations.

Charitable Organizations Receiving Grants from the American Securities Foundation

American Cancer Society Inc
American National Red Cross
Apollo Theater Foundation Inc
Ars Nova Theater I Inc
Art Council Inc
Arvada Junior Baseball Corporation
Autism Speaks Inc
Award of Courage Corporation
Baylor College of Medicine
Bethlehem Lutheran Church

Birthright Israel Foundation
Boys And Girls Club of Middle Tennessee Inc
Brick Presbyterian Church
California Academy of Science
Catholic Big Sisters & Big Brothers
Chabad Lubavitch Chai Center Inc
Children of Fallen Patriots Foundation
Church of St. Paul and St. Andrew; West Side Campaign Against Hunger
Citizens Committee for New York City Inc
Coalition for The Homeless Inc
Collegiate School Inc
Columbia Grammar & Preparatory School
Columbia University
Conference of Presidents of Major Jewish Organizations
Congregation B'nai Israel
Dartmouth College
Deerfield Academy
Doctors Without Borders USA Inc
Echoing Green
EdPowerment Inc
Entertainment Industry Foundation
Food Allergy And Anaphylaxis Network
Fund For Park Avenue New York Inc

Harvard Business School Club of Greater New York
Haverford College
Health Advocates for Older People Inc
Hillel: The Foundation For Jewish Campus Life
Horace Mann School
Human Rights Watch Inc
Joseph Kushner Hebrew Academy
Lighthouse International
Lower East Side Printshop Inc
March of Dimes Foundation
Melissa Institute For Violence Prevention & Treatment
Mount Sinai Hospital
Mount Sinai School of Medicine of NYU
Multiple Myeloma Research Foundation Inc
Museum of Jewish Heritage: A Living Memorial to the Holocaust
NYC Mission Society
National Board of Review of Motion Pictures Inc
New York and Presbyterian Hospital
New York Cares Inc
New York Firefighters Burn Center Foundation
Nightingale-Bamford School
Odyssey Foundation
Parrish Art Museum Inc

Pennsylvania State University
Performance Zone Inc
Poly Prep Country Day School
Princeton Theological Seminary
Prison Entrepreneurship Program
Richard J Caron Foundation
Robin Hood Foundation
St. George's Episcopal Church
Stanford University
Summer Search
Tulane University
UMAA Foundation
United Jewish Communities of Metro West
United States Fund For Unicef
United States Holocaust Memorial Council
United Way of Greater Cleveland
University of Pennsylvania
West Side Center For Community Life Inc
Yale University
Yorkville Common Pantry

“From what we get, we can make a living; what we give, however, makes a life.”
– Arthur Ashe (American tennis player)

PROFILES OF OUR COLLEAGUES IN ACTION



American Securities colleagues share their experiences of working with nonprofit organizations.



Snapshot

Founded: 1917 by Melvin Jones, a 38-year-old Chicago business leader.

Location: International. 1.35 million members in more than 46,000 clubs worldwide in more than 206 countries and geographic areas.

Main Objective: As the world's largest service club organization, Lions are part of a global service network, doing whatever is necessary to help their communities.

Website: www.lionsclubs.org

LIONS CLUB INTERNATIONAL *We Serve*

Kristina Czerniachowicz, Human Resources/Office Administrator at American Securities, discusses her involvement with the Lions Club Sunnyside-Woodside chapter and with her local community.

Kris Czerniachowicz first became involved with the Lion's Club shortly after she moved to Sunnyside, Queens almost twenty years ago. She explains, "Moving into the neighborhood was really cool for me. I grew up in Brooklyn and have always been used to big city life. But moving to Sunnyside made me feel almost like I was living in a small town for the first time. My travel agent, Luke, is a community activist and he was the reason I got so involved in Sunnyside activities. After he introduced me to the politicians, I wanted to participate in volunteer efforts to improve and serve the neighborhood. It's so exciting to be a part of Sunnyside with politicians who really care because they live there too." In addition to becoming a member of the Sunnyside-Woodside Lions Club, Kris also became a member of the Sunnyside Chamber of Commerce and volunteers for them regularly.

The Sunnyside-Woodside Lions Club motto is "We serve." Kris says, "Our duty is to help our neighbors. The Lions Club is the 'go-to' group for anyone who needs someone to volunteer. You need help – we will be there." The Lions Club supports the two food pantries in the neighborhood, one at St. Teresa's and the other at St. Raphael's. All of the funding for these food pantries comes from donations and small fundraisers held within the community. "I'm so proud that we champion the two food pantries in the neighborhood." Kris recalls a time when Lions Club volunteers were stationed in front of various supermarkets in Sunnyside collecting funds for the food pantries. A young woman, who didn't speak much English, handed Kris \$20. When Kris asked her if she wanted change, the woman replied, "No. I had to use that food pantry in the past but I'm okay



"Our duty is to help our neighbors. The Lions Club is the 'go-to' group for anyone who needs someone to volunteer. You need help – we will be there."

now.” Kris explains that this is just one of the many touching moments when she was able to experience a tangible effect from her work in the community.

Kris describes a fundraising activity – a cookbook – that the Lions Club did one year, where they collected recipes from several different individuals, such as city council members, police detectives, community members, and even one from Hillary Clinton who shared her personal chocolate chip cookie recipe. The cookbook, *Our Best Kept Secret Recipes*, sold for \$15. Kris, who contributed her mother’s recipe for Polish potato pancakes “*Placki Kartoflane*,” was actually responsible for typing the book herself, which she adds wasn’t easy. “People hand you recipes on scraps of paper, and you have to figure out what they say and how to make the recipe work.”

Other fundraising activities that the Lions Club champions include an annual children’s Halloween party to which Kris contributes a homemade cake. She notes, “I’m famous for my cakes, particularly my kitty litter cake. This year’s was designed as a flower pot dirt cake.” In addition, the Lions Club and the Chamber host several annual holiday fundraising events, which include a Memorial Day street fair, St. Patrick’s Day and Flag Day parades, and a tree lighting ceremony during the holidays. They also serve the community with bi-annual park cleanups and visits to an assisted living home where they bring flowers and do sing-a-longs with the elderly residents. Another noteworthy accomplishment for the club was when they helped raise funds to purchase a Labrador puppy to be trained as a Seeing Eye dog, which cost more than six thousand dollars. The Sunnyside-Woodside Lions Club is a “small but mighty chapter.” Kris explains, “Our group does not get involved in the politics of the organization. We will never be a ‘famous Lions Club’ because we just want to serve our neighborhood.”

The Lions Club International is best known for fighting blindness due, in part, to a speech made by Helen Keller when she addressed the Lions Club International Convention in 1925 and challenged the Lions to become “knights of the blind in the crusade against darkness.” Over the years the Lions Club International, or the “Lions” to which they are often referred, has evolved to encompass a multitude of service projects. Programs include sight, youth, international relations, community and environment, health, and disaster relief, on an international and local community scale.

SUCCESS STORY

Sunnyside-Woodside Boys & Girls Club

Members of the Sunnyside-Woodside Lion’s Club have been working together with neighborhood residents and community officials to establish a local Boys and Girls Club. The idea was first proposed in 2009 by Mark Wilensky, a lifelong Sunnysider and Lion’s Club member, who said that a Boys and Girls Club could put troubled youths on the right track. The club would cater primarily to 6 to 17 year olds in all groups—from the well-off to the poor. “These are hard times and many parents can’t afford to send their children to the types of activities the Boys and Girls Club would provide.” The club would provide drug counselors, abuse counselors, sports activities (from swimming, basketball to dancing) as well as computers and movies. This year’s annual fundraiser for the club, “Dancing with the Stars,” raised \$25,000 – up from last year’s total of \$10,000. The club currently hosts a Friday evening program, which was started in January of 2011. Councilman Jimmy Van Bramer, who has been a supporter of the club since its inception, was in attendance for the program’s commencement (pictured below). The president of the club announced in September that they plan to develop a \$15 million facility within 3 ½ years.





Snapshot

Founded: 1981

Location: Headquartered in New York City

Main Objective: End mass homelessness in New York City. Through direct service programs, the Coalition helps homeless individuals and families find homes and jobs, eat nutritious meals, further their education, and learn basic life skills.

Every day the Coalition helps over 3,500 clients through housing, job training, emergency food, crisis intervention, and youth programs.

Website: coalitionforthehomeless.org

COALITION FOR THE HOMELESS *Working to End Mass Homelessness*

Matt Levine, a Principal at American Securities, discusses his involvement in Coalition for the Homeless and why he believes that the organization's mission is important.

Coalition for the Homeless is the oldest nonprofit advocacy and direct service organization focused on ending homelessness in the United States. The Coalition works through litigation, public education, and direct services to ensure that affordable housing, sufficient food, and the chance to work for a living wage are fundamental rights for all men and women.

Matt first learned about the Coalition a few years ago when he and his wife, Jen, were looking to get involved in a meaningful nonprofit organization where they could be hands-on volunteers. Jen previously worked as a social worker in a methadone clinic in the Bronx and also with the outpatient and inpatient psychiatric clinics at Bellevue hospital. As a result of that experience, she knew various organizations that help different types of constituents in need. Matt and Jen wanted to make a difference and were looking for an organization that provided tangible benefits to people in need. Matt and Jen also believe that it is important for their young children to learn to give back as well. "One of the things that my wife and I discussed, as we thought about what made an impression on us growing up, was the importance of watching firsthand what our parents did for the community. We want to set an example for our children just as our parents did for us."

The Coalition is a multifaceted organization offering eleven direct service programs that fall into four categories – crisis services, housing programs, youth services, and job training. One of the programs



"I don't think people fully realize how many people don't have housing or food in this city. It really is an awful situation, but one that Jen and I believe the Coalition is doing a great job of helping alleviate."

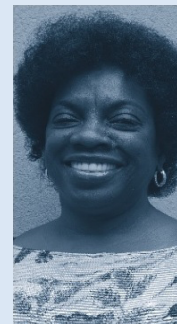
that Matt and Jen have been involved with is the Grand Central Food Program, a mobile soup kitchen that stops at 31 sites throughout Manhattan and the Bronx every night of every year delivering meals to approximately 1,000 people. “There is always a line of people waiting for us,” Matt explains. “People expect this food to be there. We spoke to some of the individuals and many of their stories are difficult to hear.”

One of the youth services the Coalition offers is a sixteen-day sleep-away program during the summer called Camp Homeward Bound that provides healing, mentorship, and empowerment. Designed specifically for homeless children, the camp helps girls and boys build character, develop education and social skills, learn to handle conflict in healthy and productive ways, and ultimately reclaim their childhood. Matt elaborates, “It’s a great program especially because it places children, who would likely be spending the out-of-school summer months in shelters, or even worse, on the streets, in a productive environment.”

The Coalition also organizes several fundraising events. Carnival Night for Kids at Victorian Gardens in Central Park features amusement park rides, magicians, games, food, live music, and more. All proceeds benefit the Coalition’s youth programs. Matt, who attended this year with his wife and two daughters, ages one and three, says, “The event was a huge success. All of the children really enjoyed it.” The event raises nearly \$200,000 each year. Another fundraising event, ARTWALK NY, which raises more than \$700,000, is an annual art benefit auction uniting artists and art-lovers. Other fundraising activities include the Women Mean Business Luncheon, which raises money for the First Step job training program, and Project Back to School, which provides homeless children with school supplies.

Matt adds, “Getting donations, especially in this economy, is challenging. It’s easier to ask people to donate once than it is to donate a second time. I don’t think people fully realize how many people don’t have housing or food in this city. It really is an awful situation, but one that Jen and I believe the Coalition is doing a great job of helping alleviate.”

SUCCESS STORIES



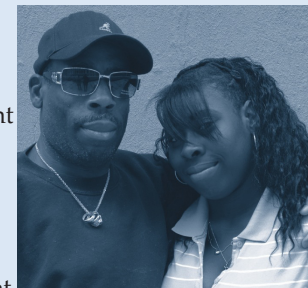
First Step

“First Step changed my life. I was a victim of domestic abuse, and suddenly found myself homeless with two small kids. The Coalition took us in and helped me find a safe home. But I struggled to pay my rent. Then I heard about how I could get job training through First Step. The skills I learned helped me land a clerical job at a

firm. Now I’m back in school studying to be a paralegal, and my oldest son is starting college in the fall. I still go back to First Step to talk to the new students because it’s really important to me to be able to give back now that I can!” – Shauna M.

Rental Assistance Program

“Two years ago I was working in a grocery store, making minimum wage. There was no way I could afford an apartment for my daughter and me. If it wasn’t for the Coalition, we’d probably still be living in a shelter. The Rental Assistance Program found us an apartment



in the Bronx and helped us pay our rent. They also helped me find a better job, so when I leave the program next month I can handle the rent on my own. Knowing that I can provide for my family is the best feeling in the world.” – Jackson



Snapshot

Founded: 2000

Location: New York

Main Objective: Help teenage baseball players make connections and receive exposure to assist them in gaining entry to quality New York high schools and colleges.

Players: Boys, ages 13 to 18, in the New York City area.

Website: www.gothams.org

NEW YORK GOTHAMS *Fielding the Best of the Big Apple*

Kelly McGowan, Director of IT in our Resources Group, discusses his involvement with the New York Gothams youth baseball organization.

The New York Gothams youth baseball program is a nonprofit organization that provides talented New York City baseball players the opportunity to improve their skills, extend their sportsmanship, and compete at the highest levels of play. Kelly explains, "It is not a nonprofit in the traditional charity sense. It is a nonprofit in the sports sense. What makes it unique is that it combines sports and education." The Gothams emphasize that players should put as much passion into their academics as they do into their sports. In addition to helping players make connections and receive exposure to assist them in gaining entry to quality New York high schools and colleges, the Gothams provide an educational component to the program by integrating study hall into the workouts and offering SAT prep classes which are paid for through fundraising. The players, who range from ages 13 to 18 and come from a wide variety of socio-economic and ethnic backgrounds in the metropolitan area, help each other during study hall at practice. Kelly explains, "The kids tutor each other by helping their teammates. Those who are better in math, for example, help the others who are struggling with it."

The NY Gothams organization takes great pride in the diversity of its teams. A large percent come from neighborhoods where income is below the national poverty level. Many come from homes where English is not the first language. Kelly adds, "About half of each team, although not specifically designed this way, is Hispanic with a large part from the Dominican Republic." With a total of five teams and approximately 15 to 20 players per team, that makes a total of nearly 100 kids playing with the NY Gothams each year, one of whom is Kelly's son Sean. Kelly



"As I got to know more about the organization, I got more intrigued with being involved and helping out, especially because of the focus on helping people in their academic pursuits."

has been working with the Gotham's for three years as a manager of the 15U team. This means that he is busy every weekend of summer from Memorial Day through Labor Day as well as on other week nights and weekends throughout the year with team practice and more than 60 tournaments. He became involved when he learned about the organization through the coaches who also run a camp at Pier 40 in Manhattan. "As I got to know more about the organization," Kelly recalls, "I got more intrigued with being involved and helping out, especially because of the focus on helping people in their academic pursuits."

Kelly tells the story of one player – fifteen year-old Kevin, who is, in some ways, pretty typical of other teammates from the same socio-economic background. Kevin's family is from the Dominican Republic. His mother barely speaks English and his father speaks only broken English. Kevin's mother travels from the Bronx to Brooklyn every day for her job cleaning schools while Kevin's father, a day laborer, takes on odd jobs here and there. Kevin was going to one of the worst high schools in the Bronx, where he would describe a different knife fight every day. Kelly depicts Kevin as "this hard-working kid sort of lost in the sea of forgotten schools and you could see he was on this path to not graduate." Kelly and other volunteers worked with his parents for a year to encourage them to get Kevin into a better school. Kevin is now going to All Hallows, an all boys' Catholic high school in the Bronx. Kelly says, "My biggest fear is that they will say the education is great but we really can't afford it. The challenge is that paying for a parochial school is a real stretch for the parents."

In addition to placing an emphasis on academics, the Gotham's have always stressed community outreach and since its inception have offered scholarships to players in financial need. MLB recognized the organization's efforts with a \$10,000 grant through its Baseball Tomorrow fund. The NY Gotham's extended that goal internationally when it organized a collection of uniforms and equipment for Homerun Hopefuls, a charitable organization that distributes to children in need in the Dominican Republic. Kelly adds that one of his hopes for this coming season is to increase the number of direct grants. "We haven't really had a good formal fundraising event or campaign yet but plan to. Right now, financial support is largely based on the generosity of the participating parents and board members." He adds, "While there have been a couple of kids drafted straight into the MLB, I think the majority of us involved would agree that the ultimate goal of The New York Gotham's is for the kids to go to college whether it be through scholarships or through the exposure gained playing for the Gotham's."

PROFILES OF SUCCESS

Alumni Signed to Play College Baseball

To date, 36 NY Gotham's players have been signed by 27 different universities to play college baseball: Amherst College, ASA College, Ball State University, Bowdoin College, Clark University, Cornell University, Fordham University, Galveston College, Johns Hopkins University, Kenyon College, Macalester College, Middlebury College, New Mexico Military Institute, Oberlin College, Pensacola Junior College, Pitzer College, Pomona College, Skidmore College, St. John's University, St. Lawrence College, Swarthmore College, Tufts University, University of Michigan, University of New Hampshire, Virginia Tech University, Wake Forest University, Wesleyan University

Alumni Drafted by MLB Teams

To date, eight NY Gotham's players have been drafted by eight MLB teams: Chicago White Sox, Cincinnati Reds, Detroit Tigers, Milwaukee Brewers, Montreal Expos, Philadelphia Phillies, St. Louis Cardinals, Washington Nationals





Snapshot

Founded: 1987

Location: Global. Over 40 countries are influenced by fellows' organizations. Fellows are based in 30 countries and 41 states in the US.

Main Objective: Echoing Green invests in and supports outstanding emerging social entrepreneurs to launch new organizations that work to solve deeply-rooted social, environmental, economic, and political inequities.

Website: www.echoinggreen.org

ECHOING GREEN

Think Big, Be Bold, Drive Change

American Securities Managing Director Marc Saiontz is on the Board of Directors of Echoing Green and is also a founder of the Social Investment Council.

Marc Saiontz first learned about Echoing Green at a New York Private Equity Network (NYPEN) event that he attended shortly after rejoining American Securities upon completion of his MBA from Stanford University. Having always been involved in community service in the past, Marc was looking for an organization to work with in New York. At the NYPEN event, Echoing Green's president Cheryl Dorsey spoke about the organization. According to Marc, "The Echoing Green story resonated with me. What they do in the nonprofit world is similar to what we do in the for-profit world in terms of a business model. For somebody like me, who doesn't have a ton of time, working with a nonprofit that approaches the world in a way that I spend 90% of my time seemed to make for a good fit – and the timing was good for me to be able to help Echoing Green."

When Marc first got involved, Echoing Green was at an interesting juncture. Having been internally funded by the organization's founder, General Atlantic, for its first twenty years, Echoing Green was looking to expand its donor base. In order to secure additional funding, Echoing Green needed to become more known to the public. Marc says, "For me, it was an opportunity to help an organization grow. They were trying to figure out what their model should be to build support and raise money. Echoing Green knew what their front-end model was in terms of finding and supporting social entrepreneurs through the fellowships it awards. But in terms of the



"I love the fact that there are people more courageous than me who have a dream and their dream isn't about making themselves richer. It is about changing the world, or a piece of it."

back-end and getting donor support, they really needed help. So a couple of people, like myself who were at the same place in our careers, got involved and formed what we called the Social Investment Council, which was kind of like the junior board of other nonprofits. We made a minimum contribution commitment of \$1,000 to join the Council. In three to four years, we went from no members to over 100 members. The Council actually became a reasonable support base of funding.” The Council also came up with the idea to host an annual fundraising event, which draws in nearly 400 attendees. At the event, which is now called “Finalist Night,” the fifteen final fellowship recipients individually take the stage to give their elevator pitch to the attendees. Marc explains, “It is pretty inspiring to hear the finalists speak about their plans and that’s what motivates me to work with Echoing Green. What they do is invaluable.” Marc’s enthusiasm for the organization is clear. “I love the fact that there are people more courageous than me who have a dream and their dream isn’t about making themselves richer. It is about changing the world, or a piece of it. The organization touches people around the globe.”

The Echoing Green Fellowship selection process is highly competitive. There are 2,500+ applications per year, all of which are read and reviewed by staff, board, Council members, and volunteers. Applicants progress through three application stages with eliminations after each phase, ultimately narrowing down the 2,500+ applications to 12-20 fellowships. The two-year Echoing Green Fellowship program provides start-up capital of \$80,000, health insurance and professional development stipends, as well as access to technical support and pro bono partnerships to help grow the organization.

To date, Echoing Green has invested nearly \$30 million in seed funding to almost 500 social entrepreneurs and their innovative organizations. The return on investment is apparent. By year two, Fellows raise three times their Echoing Green grant. Five years after the completion of their fellowship, Echoing Green funded organizations raised total dollars equivalent to thirty-seven times their total Echoing Green seed investment. According to a 2004 study, Echoing Green Fellows’ organizations raised approximately \$930 million to support their work—an ROI of forty-four times the initial investment.

SUCCESS STORIES

Teach for America

Founded by 1991 Echoing Green Fellow Wendy Kopp, Teach for America is a nonprofit organization that aims to eliminate educational inequality by recruiting the nation’s most promising future leaders to teach for at least two years in low-income communities throughout the United States. Kopp developed the idea for her senior thesis at Princeton University in 1989. TFA has grown from 500 people in its first year, to more than 8,200 in 2011 alone and is now serving 39 rural and urban regions around the country. To date, there are more than 20,000 Teach For America alumni. Nearly two-thirds of the alumni continue to work in the field of education. A recent Harvard study showed that TFA has produced more education entrepreneurs than any other institution or organization in America.



The One Acre Fund

Andrew Youn, a 2006 Echoing Green Fellow, founded The One Acre Fund to lead a revolution in chronic hunger alleviation in Sub-Saharan Africa. Modeled on the belief that food aid is at best a temporary solution, the nonprofit organization aims to help farmers emerge from persistent poverty and hunger by increasing their farm-based incomes. By providing a comprehensive “market bundle” of farm inputs on credit, weekly farm education sessions, and access to output markets, this investment package helps farmers grow themselves out of poverty.

“As we enjoy great advantages from the invention of others, we should be glad of an opportunity to serve others by any invention of ours.”

– Benjamin Franklin

PROFILES OF OUR PORTFOLIO COMPANIES IN ACTION



This year we profile the unique contributions of
Fairmount Minerals and Liberty Tire Recycling.



FAIRMOUNT Minerals

Snapshot

Founded: 1986

Headquarters: Chardon, OH

Industry: Industrial Sand

Date of Investment: August 2010

Website: www.fairmountminerals.com

FAIRMOUNT MINERALS *People. Planet. Prosperity.*

Fairmount Minerals is one of the largest producers of industrial sand in the United States.

Fairmount Minerals is a market-driven company with strategically located facilities nationwide and a global distribution network. As common as some people may think sand may be, it takes exceptional expertise, experience, and resources to meet the demanding requirements of today's industries that rely on sand for their everyday production and operation.

In 2010, Fairmount met a longstanding goal: more than 500 employees participated in volunteer activities. Based on the company's January 2010 headcount, every Fairmount family member donated time and energy to a charitable cause. All Fairmount Minerals locations hosted a volunteer Day of Caring, which provides opportunities for employees to get involved in the community. Throughout the year, Fairmount donated in excess of 8,600 hours of volunteer time by participating in activities including blood drives, roadside clean-ups, assisting the elderly, and hosting local fundraising dinners. To help support a talent-based volunteerism campaign and connect people to specific volunteer opportunities, Fairmount launched a company-wide skills assessment survey in order to leverage its employees' expertise to meet specific needs in the communities where Fairmount is located.



*Chuck Fowler
CEO, Fairmount Minerals*

Every year, Fairmount identifies an area of focus for its volunteer and charitable activities. In 2010, the company concentrated on contributions to emergency services in every Fairmount Minerals community, donating more than \$700,000 to local hospitals, fire departments and emergency response teams. The company also trained several Fairmount employees on disaster response protocol and local emergency

management. Fairmount Minerals invested 1.55% of its pre-tax, pre-equity earnings to community organizations in 2010 and exceeded its goal of touching 100,000 lives. In 2011, Fairmount has been centering its charitable activities on education and giving back to its communities through learning opportunities.

Other Highlights of Fairmount's Contributions: Remembering 9/11, The United Nations Global Compact, and Feeding America

To help memorialize the heroes of Flight 93 and those who lost their lives as a result of the 9/11 terror attacks, Fairmount Minerals partnered with the National Park Foundation to donate \$10,000 to the Flight 93 National Memorial Fund. This gift enabled the Foundation to plant 150,000 new trees near the memorial in Shanksville, Pennsylvania with a select few of the trees becoming part of the actual design of the memorial and visible to an estimated 250,000 annual visitors. The memorial was dedicated in September 2011 and Fairmount Minerals was there.

Fairmount Minerals also partners and collaborates with a number of nonprofit organizations that support the firm's commitment to move toward a more sustainable future. As participants in the United Nations Global Compact, Fairmount's actions are grounded in a set of universal principles – human rights, labor standards, the environment and ethical behavior.

Fairmount Minerals also brought philanthropy and employee wellness together with a unique, innovative program. The company created a Pound for Pound Challenge. For every pound lost by Fairmount employees, the company agreed to donate \$10 to Feeding America, the nation's leading domestic charitable hunger relief organization. Through exercise and a focus on nutrition, participating Fairmount employees lost more than 1,394 pounds, which translated into a \$13,940 donation. In addition, Fairmount employees collected approximately 4,700 canned food items, which were donated to local food banks.

AN OUTSTANDING CONTRIBUTION

UH Rainbow Babies & Children's Hospital

In memory of their daughter, Angie, who died of melanoma at age 14, Char and Chuck Fowler (pictured right) have established The Angie Fowler Adolescent and Young Adult Cancer Institute at University Hospitals (UH) Rainbow Babies & Children's Hospital.



This is the largest individual donation in the history of UH Rainbow Babies & Children's Hospital. The Fowlers' lead gift will further the hospital's national leadership in childhood, adolescent and young adult cancers and blood disorders. The Angie Fowler Adolescent and Young Adult Cancer Institute, which is part of the \$1 billion Discover the Difference: The Campaign for University Hospitals, will include a new dedicated outpatient treatment facility and an expanded inpatient unit for pediatric and young adult patients, along with a rooftop garden at UH Rainbow Babies & Children's Hospital. With the Fowler family's gift, the support for UH's comprehensive fundraising campaign now totals over \$780 million. Cancer remains the leading disease killer for 15-39 year olds and diagnosis rates in this age range are eight times greater than cancer rates in younger children.



Snapshot

Founded: 2002

Headquarters: Pittsburgh, PA

Industry: Environmental/Recycling,
Industrial

Date of Investment: November 2008

Website: www.libertytire.com

LIBERTY TIRE RECYCLING *Reclaim. Recycle. Reuse.*

Liberty Tire Recycling is the premier provider of tire recycling services in the United States. By reclaiming more than 33 percent of the nation's discarded tires, Liberty Tire annually transforms more than 140 million tires into raw materials for smart, sustainable products that improve people's lives.

Liberty Tire Recycling, the largest scrap tire collector and recycler in the nation, takes a hazardous waste product and makes it safe for gardens, playgrounds, turf, and more. Liberty Tire is also the first company in North America to achieve certification from the Greenguard Environmental Institute, an organization that strives to improve public health and quality of life through programs that reduce chemical exposure and improve indoor air quality. In addition to Liberty Tire's contribution to the overall environment, the company has also been quick to help its local communities by supporting organizations and offering its services when needed.

Liberty Tire Recycling Canada has been a key supporter of The Ontario Automotive Recyclers Association (OARA) Tire Take Back event. The annual event raises funds for the Sunshine Foundation of Canada, a nonprofit that makes dreams come true for children who are challenged by severe physical disabilities or life-threatening illnesses.

The two-day tire-recycling blitz collected over 48,000 used tires this year, which is 50 percent more than in 2010. In total, this year's event raised more than \$123,000 for the Sunshine Foundation. This is just one of the many times when Liberty Tire Recycling has jumped at the opportunity to help children in need.



*Jeff Kendall
CEO, Liberty Tire Recycling*



In Atlanta, a nonprofit arts center was facing a dilemma when it discovered tires were being illegally dumped at its center. After learning that it would cost thousands of dollars to remove the tires, the community arts center reached out to Liberty Tire Recycling. "When the center contacted us to tell us what they were facing, we were happy to

offer our assistance at no charge," said Dewey Grantham, regional sales manager for Liberty Tire Recycling. Crews from Liberty's Atlanta plant (pictured above) collected and recycled as many as 1,000 scrap tires, which would then be ground into crumb rubber. "Liberty Tire Recycling has a well-deserved reputation for remediating illegal tire dumps across the country. Since the company's founding, we have cleaned up more than 150 dump sites littered with nearly 40 million scrap tires," said Jeffrey Kendall, CEO of Liberty Tire Recycling.

Liberty Tire's community outreach has expanded internationally, and, to date, the company has donated 500,000 pounds of rubber to build athletic fields in Iraq. The company also donates rubber to many schools and parks throughout North America for the creation of athletic fields and playgrounds. Just recently, Liberty Tire donated 40,000 pounds of rubber mulch to the children's community playground in Braddock, Pennsylvania sponsored by Heritage Community Initiatives, a community-based nonprofit that provides early childhood education and economic development.



LTR PRODUCTS A LIBERTY TIRE RECYCLING SUBSIDIARY

New Playground in Hawaii

Team members from LTR Products, a subsidiary of Liberty Tire Recycling, were among the 250 volunteers who helped build a 2,500 sq. ft. playground for the YMCA of Honolulu Leeward Branch in January 2011. LTR Products in partnership with KaBOOM!, a national nonprofit dedicated to saving play for America's children, provided the entire foundation with SMARTE System, a playground safety surface created from recycled tire rubber. "At LTR Products, we are proud to work with KaBOOM! to build a new playground that will bring fun and fitness to the children of the YMCA of Honolulu Leeward Branch," said Brad Pittam, general manager of LTR Products.



Helping the Center for Courageous Kids

When The Center for Courageous Kids, a nonprofit medical camping facility for children with life-threatening diseases and disabilities, needed a wheelchair-accessible ramp to ensure all visiting children would have full-access to the camp, LTR Products donated 2.2 tons of black Vigoro Premium Rubber Mulch for the construction of the ramp. "At LTR Products, we want to help ensure that all of the children get to fully enjoy and experience the camp," said Brad Pittam. "That is why we are so pleased that Vigoro Premium Rubber Mulch can be used to create a ramp that is safe and accessible for all."

*“If you want one year of prosperity, grow grain.
If you want ten years of prosperity, grow trees.
If you want one hundred years of prosperity, grow people.”*
– Chinese proverb

AMERICAN SECURITIES ANNUAL DAY OF GIVING BACK

In 2008, the American Securities New York office decided to change directions. We typically hosted a summer outing event for our colleagues packed with sports activities and a lunchtime barbecue. Instead, we chose to move this day-long event to the September/October time frame and, rather than filling the day with sports events, we decided we would rather spend this day volunteering our time and efforts together each Fall. Since that time, all colleagues in our New York and in our Shanghai offices collectively enjoy a Day of Giving Back.

In 2011, our New York team members volunteered at the largest soup kitchen in Brooklyn which serves more than 1,000 people a day with breakfast and lunch. In 2010, we helped paint classrooms, make alphabet murals and build furniture to improve a Queens' kindergarten. In 2009, we participated in four different activities throughout New York City: a science program for fourth graders in Greenwich Village; packing items for a food bank in Harlem; walking shelter dogs in Brooklyn; and helping second graders from the Bronx learn digital photography at the International Center for Photography.

In China, American Securities' colleagues helped rebuild a school after the devastating 2008 Sichuan earthquake. Our China office also helped with the Children's Day Celebration in 2009 and in 2011 assisted with classifying books for the ZhenHua Labor Dependent School library.

American Securities' colleagues look forward to these Days of Giving Back collectively each year.

SHUI MIDDLE SCHOOL, 2008

American Securities China volunteers at the Shui Middle School which was devastated by the 2008 Sichuan earthquake. The 7.9 magnitude earthquake struck in the Sichuan province of China, killing an estimated 68,000 people.



CHILDREN'S DAY CELEBRATION, 2009

American Securities China volunteered with the ZhenHua Labor Dependent's School for the Children's Day Celebration in Century Park.



ZHENHUA LABOR DEPENDENT'S SCHOOL, 2011

Our China team classified a total of 130 books for the ZhenHua Labor Dependent's School library.



TONY DAPOLITO SCIENCE CENTER, 2009

American Securities volunteered with fourth graders at the Tony Dapolito Science Center in Greenwich Village.



YORKVILLE COMMON FOOD PANTRY, 2009

We packaged food at the Yorkville Common Food Pantry in Harlem.



QUEENS KINDERGARTEN, 2010

At a kindergarten in Queens, American Securities helped revamp the school by assembling new furniture and painting classrooms and decorative murals.



ST. JOHN'S BREAD AND LIFE, 2011

We prepared and served food, helping feed more than 300 families. We organized and packaged supplies to help St. John's prepare for their annual Sponsor-a-Family holiday program.





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