



BLUESTONE CAPITAL PARTNERS ADVISES U.S. INVESTIGATIONS SERVICES IN THE DIVESTITURE OF ITS GS&S BUSINESS

On January 15, 2015, U.S. Investigations Services (“USIS”), a subsidiary of the Providence Equity Partners portfolio company Altegrity, completed the sale of its Global Security and Solutions Division (“GS&S” or the “Company”) to PAE, a portfolio company of Lindsay Goldberg. Headquartered in Falls Church, Virginia, GS&S provides identity management, information management, infrastructure security, and mission support services. The Company specializes in litigation support, biometric capture and enrollment, training, construction surveillance, and security consulting services for federal customers across the Intelligence, law enforcement, and homeland security communities. PAE is a provider of enduring services for the essential missions of the U.S. Government, its allied partners, and international organizations.



The Company's sale transaction highlights several key M&A trends in the government services market:

- **Continued Private Equity Consolidation** – Private equity groups and their portfolio companies continue to be active buyers in the government services sector. This transaction represents the third company that PAE has acquired since Lindsay Goldberg acquired the platform from Lockheed Martin in 2011. PAE has employed an effective M&A program to gain access to new markets and capabilities that are synergistic with PAE's existing portfolio.
- **Focus on Well-Funded and Mission-Critical Programs** – Increased government spending pressures have intensified buyers' scrutiny of target companies' key programs and their funding stability. As a result, acquirers are increasingly pursuing target companies that support well-funded programs that are critical to core agency mission requirements and less susceptible to potential funding cuts. The Company's position supporting programs of critical national importance, particularly in the areas of security and litigation support, provided a solid recurring revenue “story” for the buyer community.
- **Access to Customers and Contract Vehicles** – In today's highly competitive government contracting environment, acquirers of government service providers continue to focus on acquiring access to new customers and contract vehicles. The Company's approximately 1,900 cleared personnel are deeply entrenched within highly coveted Intelligence Community, law enforcement, and homeland security customers, many of which PAE did not previously support. Through the acquisition, PAE secured access to the Department of Justice's \$1.1 billion MEGA IV contract vehicle, which provides PAE with new growth opportunities within the federal law enforcement community.

GS&S possesses several additional attributes that attracted PAE's interest, including its largely prime contract base, significant contract backlog, and strong management team, among others. Our market insights give us confidence that companies that share these characteristics will continue to receive strong interest from financial and strategic buyers alike.

Contact Us
1650 Tysons Boulevard, Suite 1530
McLean, Virginia, 22102
p. (703) 462-5600
f. (703) 852-4496
e. info@bluestonecapitalpartners.com

John Allen
CEO

Michael Ivey
Senior Vice President

Susan Gabay
Managing Director

Bob Kwaja
Vice President

Greg Van Beuren
Managing Director

Garrett Asta
Associate Vice President